

# Payment Practices Reporting

The Department of Business, Energy and Industrial Strategy have released guidelines for reporting on payment practices and performance.

Refer to the document released by Department of Business, Energy and Industrial Strategy entitled “Duty to Report on Payment Practices and Performance” dated October 2017 for detailed information.

Documentation and access to the web service is available at:

[www.gov.uk/government/publications/business-payment-practices-and-performance-reporting-requirements](http://www.gov.uk/government/publications/business-payment-practices-and-performance-reporting-requirements)

## **Businesses if:**

On their last two balance sheet dates, exceeded two or more of the thresholds below for qualifying as a medium-sized company under the Companies Act 2006:

- £36 million turnover
- £18 million balance sheet total
- 250 employees

## **Are required to:**

Report twice a year on supplier payment practices, including:

- average days taken to pay invoices (from date of receipt of invoice to date of cleared payment)
- percentage of payments made <30 days, 31-60 days, >60 days
- percentage of payments not paid within agreed terms

A “Payment Practices Report” has been added to the Gold Purchase Ledger Menu to provide the information for reporting.

## **System Settings**

The number of days for a supplier to receive a cleared payment must be set as this is used to determine the actual date of payment received.

New options have been added to the Company Control File to set a number of days for the payment to arrive with the supplier and be cleared.

### Company Control File – Accounts tab – Purchase section

**Purchase - Amend**

Age Purchase Transactions: Transaction Date

Giro Format: New Format

Bacs: BACS Output Print Only

Remittance Advice Type: Blank Invoice

Cheque Format: LASER Format

Print Supplier Fax No on Remittances?: No

Expected number of days to receive Manual payment: 7

Expected number of days to receive Cheque payment: 7

Expected number of days to receive Cash payment: 0

Expected number of days to receive Bacs payment: 3

Expected number of days to receive C/Tfr payment: 3

OK Cancel

Enter the number of days to receive payment for each payment type. Allow for postal times and base on calendar days to account for non-working days.

### Supplier Account Maintenance

**Supplier Maintenance - Amend Mode**

Name & Address | General | Terms/Intrastats | **Bank/Electronic** | CIS | Pad

Name: Case IH (PARTS) Supplier A/c.: 1114

Bank Name: BARCLAYS BANK PLC

Bank Sortcode: 20-30-40

Bank Account No.: 765345254

BACS Auth. Code: 547841

Bank Account Type: 1

IBAN Bank Account No.:

SWIFT BIC:

Electronic Parts Zero VAT Default: 0

Electronic Parts Std VAT Default: 0

Expected number of days to receive payment:

OK Cancel

If an expected number of days to receive payment is set against a supplier account, this is the number that will be used in the calculation of the report statistics. If this is 0 it will refer to the payment method days set on the company control file.

### Excluding Suppliers

If a supplier falls outside of the Payment Practices Reporting requirements, for example Financial Services, the account can be excluded by setting the flag on the “Terms/Intrastats” tab in Supplier Maintenance “Exclude from Payment Practices?”

**Payment Practices Report**

(Purchase Ledger, Payment Practices Report)

The report will produce the statistics required for entry onto the website by companies matching the criteria set by the Department for Business, Energy & Industrial Strategy.

Other static information must be recorded on the website, such as standard payment period and standard payment terms, etc.

**Operation**

Field	Option	Description
Report Listing	Summary Detail	Reports company totals only to be provided to the DBE&IS. Shows the information for each supplier
Supplier Account	From/To	Enter a range of supplier accounts to report, the default is 'All'.
Reporting Dates	From/To	Enter the date range to report. This will either be the first or last 6 months of the financial year.
Reconciliation Extract	Yes/No	Selecting 'Yes' will create a .csv file containing the "raw" data used to calculate the report. This is exported using file transfer after the printed report.

**For each Supplier, the report will show:**

Payments	Avg. Days	<31	%	31-60	%	>60	%	Late & Unpaid	%	Total
4	60	1	25%	0	0%	3	75%	5	83%	6

The values to be entered online are the Summary Totals for the Company:

- “Payments” - the number of invoices paid within the period
- “Avg. Days” - the average number of days taken to pay invoices
- % <31 - the number and percentage of invoices paid within 30 days
- % 31-60 - the number and percentage of invoices paid between 31-60 days
- % >60 - the number and percentage of invoices paid after more than 60 days
- “Late & Unpaid” - the number and percentage of invoices due to be paid within the reporting period which were either not paid or were paid late

*Note – number of days to pay is calculated using the system posting date of the invoice to the payment date plus the number of days specified for a supplier to receive the cleared payment.*

*“Payments” is the number of invoices paid within the period*