Your**DMS**

Guide to
Accounts
Payable
Best Practice

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Guide to
# Accounts Payable Best Practice

One of the biggest challenges facing Finance Professionals today is utilising the right technology in the Accounts Payable (AP) department to streamline processes, increase efficiency and dramatically reduce costs. Some organisations take this a step further by transforming the AP department into a profit centre, driving revenue for growth. As a result, the smooth processing of invoices by reducing invoice errors and supplier queries should be a priority for every AP department.

However, the process of approving invoices for payment can be a complex one in many Accounts departments. Traditionally, invoices are manually checked to see if they contain all the information needed for approval and payment. Have the goods detailed on them been received? Is the price correct? Is there a PO number? – Getting these details wrong are some of the most common mistakes on supplier invoices. For businesses receiving hundreds or thousands of invoices per month, this method of checking becomes extremely time consuming and prone to error.

This guide will explore:
- the challenges of manual invoice processing
- the impact of GDPR on data capture, processing and storage
- the culture of late payments and the associated risks for both the payer and the payee
- detailed guidelines for creating and formatting an invoice correctly
- Best Practice for Accounts Payable departments
- What a modern Accounts Payable department looks like

# THE CHALLENGES

## A Slow Process

The following is a description of a typical manual invoice processing workflow.

1. Print out any invoices received electronically.

2. Invoices are classified into the correct category.

3. Forward to the appropriate member of the Accounts Payable department.

4. Match the invoice against an existing PO number, if used.

5. Ensure the amount invoiced is correctly stated.

6. If the amount is correct and goods have been received, the invoice is approved and signed off.

7. If the amount invoiced exceeds an agreed threshold, forward the invoice to be approved by a manager.

8. Once approved, data from the invoice is manually entered into the Accounts or ERP system.

9. Check bank supplier details.

10. Pay invoice. Generate remittance note, print out and post to your supplier.

Invoices with missing or incorrect information can delay processing leading to poorer supplier relations and settlement terms. Although typically only 20% of invoices contain anomalies, when using manual processes Accounts Payable staff are required to check every single invoice to find the ones with errors. Some organisations' anomalies can be as high as 40% without their knowledge.

## Paper vs Digital

UK businesses send thousands of invoices per year. And with the economy making a good recovery, this number looks set to increase year on year. The format of these invoices are still a combination of paper based (30%) and electronic (70%), typically Word documents, pdfs and html files.

Despite the fact that 70% of invoices now arrive electronically, a study by SagePay[1] reported that 67% of SMEs are still using paper invoices. For companies who approve and pay their invoices using traditional manual processes, the result is a time-consuming procedure with numerous steps and touch points; each one increasing the chance of mistakes being made and the administration costs. With the average cost of manually processing an invoice reported to be around £2 - £4, it is also an expensive way to work[2]. Although research has suggested that when complex issues are encountered, it can be as high as £28[3].

**The more times an invoice is handled, the more likely it is to be misfiled or lost.**

## Common Supplier Mistakes

If any key information is missing from an invoice or incorrectly listed it can take a lot of time and effort to resolve. When a PO number is missing, the purchaser and original authoriser will need to be identified before the invoice can be processed. This is also the case if the PO number has been included but has not been clearly labeled as a PO number.

Also, multiple POs on the same invoice can be as complex and more time consuming than no PO number at all. The more simple and clear the invoice is, the easier it is to pay it. If there is a issue with one of the PO numbers on an invoice, payment for all of the PO numbers and associated orders can be delayed whilst the issue is rectified, which could result in late payments to suppliers.

When there is a requirement for line item checking on receipted goods, the need for clearly defined and accurate data is multiplied. In the case of some of our existing customers these complex issues would regularly result in late payments.

If a part number on the purchaser's system does not match the part number on the supplier's system, every time that particular item is purchased, the part number on the invoice will be incorrect, requiring manual adjustment. If a business orders a lot of a product with an incorrect part number, the Accounts Payable department will waste a lot of time manually correcting this mistake.

In summary, well defined, clean data reduces the administration time, processing time and payment time.

It is really important that the details on your suppliers system, match the details you have for the same products and services on your internal systems. When they don't, time is wasted manually correcting the mistake every time.

It's unnecessary for suppliers to send invoices by email and post paper copies. It wastes time and money, and customers may pay twice if the duplicate invoice isn't detected. Leading to more time wasted.

In short, if you don't intend to change your processes to work electronically, ask your suppliers to send you a paper invoice in the post.

## Printing Out & Manual Data Entry

Accounts Payable departments that use manual processes will print out copies of invoices received electronically. At a later stage in the process, the information on the printed copy will be manually entered into an Accounts system. Each print is costing the business money for paper, ink, wear and tear on the printer, time taken to print and additional data entry. There is also an increased chance of errors with manual data entry.

## Invoice Status

With manual processing, the lack of an audit trail makes it more difficult to gain a clear picture of the 'status' of an invoice. This is amplified if the invoice is handled by more than one person. *Is it clear what has been done, needs to be done, by whom and for what deadline?* This potentially leaves a lot of unanswered questions for the AP clerk who wastes more time trying to find the answers. Delays will lead to invoices being paid late and the penalties that may be incurred.

## Compliance & Fraud Prevention

Businesses must adhere to many different legal regulations, as well as any internal regulations, to ensure compliance and to help prevent fraud. Managing these regulations with manual processes is extremely difficult.

Storing paper invoices securely is difficult, expensive, and takes up valuable space; but when invoices are not stored securely, your business may fail to meet compliance regulations for the storing of financial records. FACT: Some financial records must be stored for a minimum of 6 years.

Storing files in a filing cabinet makes it difficult to manage who has access to sensitive information, and there is no record of who has accessed the documents and what edits have been made to them. It's also easy to 'lose' or misfile information. Imagine if an AP clerk needed to retrieve an invoice that had been misfiled 5 years ago - how many filing cabinets and pieces of paper would they need to search through until they found the one invoice they were looking for?

It is also a common problem that manual invoice processing can leave businesses more susceptible to invoice fraud.

Fraud within the Accounts Payable department is more common than you might think with an estimated 5% of every company's annual revenue lost each year due to fraudulent activities.[4]

Methods include viruses embedded in attachments; unknown invoices sent by email or post; false changes to bank details; sending duplicate invoices, and falsifying expenses.

Modern accounts teams are under pressure to be more productive while cutting costs and often lack the time to complete the necessary checks to ensure that fraudulent payments and activities are discovered and stopped.

With manual invoice processing it can be difficult to detect invoice fraud, and even when companies do notice something unusual by cross checking specific details with those stored in their Accounts system, not all AP departments would contact the police or a reporting service like Action Fraud, the National Fraud & Cyber Crime Reporting Centre.

> Never leave sensitive material such as invoices unattended on your desk. These provide details of standing orders and direct debits.
>
> Financial Fraud Action UK

## Complying with General Data Protection Regulations (GDPR and UK GDPR)

The General Data Protection Regulation (GDPR) came into force on 25 May 2018. It is designed to protect the personally identifiable information of EU citizens by introducing a set of consistent standards for data protection, improving the way businesses with customers in the EU approach data protection. Non-compliance can result in fines of up to €20million or 4% of their annual turnover (whichever is greater).

Organisations must comply with new regulations to modernise the way they capture, process, use and store their customers' personal information. This includes adopting 'privacy by design', creating a 'culture of accountability' and establishing clear policies and procedures such as data retention, data encryption, GDPR sympathetic business to business contracts and employee awareness.

### Does the GDPR still apply after the end of the Brexit transition period?

The EU GDPR no longer applies to the UK. However, if you operate inside the UK, you will need to comply with UK data protection law. The GDPR has been incorporated into UK data protection law as the **UK GDPR** – in practice there is little change to the core data protection principles, rights and obligations found in the UK GDPR.

The EU GDPR may also still apply directly to you if you operate in the European Economic Area

(EEA), offer goods or services to individuals in the EEA, or monitor the behaviour of individuals in the EEA.

The EU GDPR still applies to any organisations in Europe who send you data, so you may need to help them decide how to transfer personal data to the UK in line with the UK GDPR.

Complying with UK GDPR is a company-wide responsibility and the correct approach to data protection should become an intrinsic part of an organisation's day-to-day business processes.

### Responsibilities for Accounts Payable departments

The Accounts Payable department deals with very sensitive customer information including identity and bank account details. If this information were to fall into the wrong hands, the results could be catastrophic, so operating in compliance with GDPR is paramount.

**Under GDPR, Accounts Payable are responsible for:**

### Storage & Archiving

You must keep a well-managed archive of paper and electronic invoices. This can be difficult if invoices are kept/saved in various locations such as filing cabinets, warehouses, computer desktops, databases etc.

You must also ensure that records are stored securely to prevent inappropriate access to sensitive data. Archived records and documents MUST remain unchanged and untampered, and be securely destroyed after a set retention period.

### Right of Access

You must provide customers or suppliers with records of their personal data when requested, so that they are aware of and can verify the lawfulness of the processing. The information must be provided using "reasonable means" (in a format they can read and reuse) and within one month of receipt of the request.

### Keeping Accurate Records

You are required to keep internal records of data processing and provide a full audit history of all records kept, on demand from either a data subject or a governing body such as the ICO.

### Deleting & Removing Records

Under the new rules an individual has the rights to request the deletion or removal of personal data where there is no compelling reason for its continued processing.

**When reviewing how you currently work, you should ask yourself these questions:**

1 What is the nature of the documents you hold?

2 Do they include personal identifiable information?

3 Can you easily find a document?

4 How long do you keep documents and why?

5 Is it all in one location?

6 Is the data accurate and up to date?

7 Do you know how many copies exist?

8 Can document access be restricted?

9 What data security provisions do you have?

10 Can I transfer my physical documents into secure data?

On request, every piece of relevant data held on a customer or supplier must be removed in a way that doesn't impact other records.

### Data Breach

You are required to disclose any personal data breaches and inform your Supervisory Authority (SA) within 72 hours of detection. Once a breach has been identified, organisations must immediately assess what data was taken. Where the risk to the rights and freedoms of the individual is deemed "high", they must also be notified.

Complying with GDPR will help ensure accounts departments adopt and adhere to the far more stringent data protection standards that have been introduced and this change in focus may completely alter the way an accounts department operates within an organisation. Typically, the accounts department is where the most significant amount of sensitive data will be handled and as such it will be the area most susceptible to the largest fine, should a breach occur.

To comply with GDPR, identification, reporting and notification systems must be implemented to quickly to tackle breach issues as soon as they happen. In practice, the risks of breach may be mitigated by employing automated systems and processes, such as an invoice processing solution, which can simplify and streamline processes by removing manual data entry, eliminating human error and providing the all-important audit trail. When used in conjunction with a document management system, this would ensure that documents, invoices and records are stored securely and deleted securely, and searched and retrieved quickly. See pages 18 – 19 for more information.

The accounts department can help to strengthen an organisation's GDPR compliance by ensuring the adoption of best practice, the implementation of good process / procedure and the introduction of sympathetic data management systems, based on the guidelines provided by the GDPR.

## The Culture of Late Payment

The UK's culture of late payment is an issue that affects all businesses. In a survey from the Federation of Small Businesses late payments were cited as one of the top three reasons for small business failure.

The UK SME late payment debt rose to £23.4 billion in 2019, an increase of £10.4 billion on the £13 billion owed in 2018. In addition, UK SMEs are now facing a total bill of £4.4 billion a year, just to collect money they are owed, with 22% of those waiting on funds spending more than £500 a month chasing payments.[5]

78% of SMEs said they have waited a month, or longer, beyond agreed payment terms before being paid. 45% of SMEs said they have been kept waiting two months or more before being paid.[5]

While it's clear that being owed money is detrimental to maintaining optimum cash flow, affecting the ability to pay staff and reducing investment, there are also many risks associated with paying your invoices late on a regular basis.

As a purchaser, it is your responsibility to comply with any payment terms that you agree to.

Failure to pay your invoices on time could result in the following issues:

1 **It could damage your relationship with your suppliers.** Your account could be placed on hold preventing you from purchasing business critical supplies when you need them. In addition, the way you manage your purchasing/sales relationship has an impact on your profit margins. Late payments prevent you from taking advantage of any prompt payment discounts on offer.

2 **It could damage your company's reputation.** If you are seen as untrustworthy, people may not want to do business with you. It could also be taken as an indication that your business is in difficulties.

3 **It could adversely affect your company's credit rating** making it difficult to open a credit account in the future.

> As part of a survey, FSB members were asked to give reasons why their customers paid late. 35% said internal invoice processing issues caused a delay.
>
> FSB Member Survey

4 **You have a legal obligation.** 2015 Government legislation dictates that every business in the public sector supply chain MUST comply with 30 day payments terms. Regulations introduced in 2017 state that large companies and limited liability partnerships MUST publicly report twice a year on their payment practices and performance, including the average time taken to pay supplier invoices, making their accountability more transparent. Failure to report is a criminal offence.

5 **You could be charged interest for every day you exceed the agreed payment terms.** In accordance with the Late Payment of Commercial Debts government regulations, businesses are entitled to charge 8% above the Bank of England base rate (unless there is a different rate of interest in a contract). This could really add up in a very short space of time.

6 **Late payment is considered a breach of contract.** It could eventually result in losing a business contract and legal action.

7 **With multiple unpaid invoices you don't have a clear picture of your company finances** and financial obligations hindering your ability to make smart financial decisions.

8 **It negatively affects the UK economy as a whole,** damaging supply chains, putting SMEs at risk of collapse, restricting business growth and new opportunities.

All UK businesses have a responsibility to work together and build a responsible payment culture, where every business is paid fairly and on time for the good and services they have provided. Customers and suppliers can work together, following industry best practices, to improve the quality of invoices allowing for faster, easier processing and prompt payment.

# GUIDELINES
# BEST PRACTICE FOR INVOICE PROCESSING

To ensure that your invoices are processed quickly and efficiently, follow our Best Practice for Invoice Processing Guidelines. These rules apply to invoices being processed manually or using an automated solution.

1  Clearly label the document as an 'Invoice'.

2  Ensure your company name, address (including postcode), phone number and email address are clearly stated.

3  Include contact number and / or email address – if there is a problem with the invoice you want your customer to be able to contact you easily so that you can resolve it. You can include a general business contact but it may be a good idea to include the contact for the accounts department. If there is a query with your invoice, your customer can contact you direct.

4  Clearly show the delivery address if different to the billing address – this makes it easier to check the invoice against the corresponding delivery note.

5  Include the correct name and address of the company you are invoicing. This will ensure your invoice reaches them promptly. Any mistakes in their contact information will make you look unprofessional.

6  Include a clearly labeled invoice date/ tax point and the supply date. This will allow your invoice to be actioned using the correct payment terms.

7  Include a clearly labeled Invoice number. It should be a number that's unique to the invoice.

8  Include the PO number provided by the customer and make sure it is clearly labeled, as this will allow easy matching to goods received documentation.

9  Including any useful information, comments or instructions. For example, detailing the name of the employee who placed the order, or a delivery note number will allow your invoice to be processed more quickly.

10  Ensure details of all goods and services are provided, including:
   - quantity
   - item description
   - unit price
   - handling or freight charges
   - include NET and GROSS totals
   - total value – this should include any discount that you have agreed with your customer.

11  Detail all relevant bank details. If you allow BACS/direct payment you will need to include Bank name, Account Name, Account number and Sort code. It's also a good idea to include a fax number, postal or email address for the remittance advice to be sent to.

12  State your payment terms.

13  Match PO information for unit of measurement and currency. If the PO was issued in kilograms, use kilograms as the unit of measurement in your invoice. If the PO was issued in pounds sterling, convert any other currency in your invoice to pounds sterling.

See examples of a correctly formatted invoice and order on pages 12 - 13.

Companies with a handle on late payments also cite better invoicing as a solution to the growing problem of late payments. It's not uncommon for organisations to leave crucial information like the billing address or bank details off an invoice.

## Additional Rules for VAT invoices

You must include:

- Your VAT registration number, and either
- The VAT rate and total amount of VAT charged if all products and services are subject to the same VAT rate
- Or the amount of VAT and the VAT rate charged on each product or service if they are subject to different VAT rates

## Additional Rules for Limited Companies

Limited companies need to include their registered office address and company registration number. You must include the formal registered company name in addition to any trading name you are using.

If you are going to include the names of directors on your invoices, you must include the names of all directors.

## General Formatting Rules

Invoices should be laid out clearly with all of the information required. Make it as easy as possible for your customers to pay you or contact you quickly if there is a problem.

Your invoice is also an extension of company brand and identity so it needs to look professional, include a high quality version of your logo and use your corporate fonts and colours.

If you are supplying your invoice as a paper copy, make sure you provide a clean, legible, high quality print out. It is best to use a white background, proper legible fonts - no handwriting and don't include staples.

Make sure all information contained in the invoice is clearly labeled and not just 'floating around' on the page.

You can also include 'Thank you for your custom' if you have room.

# INVOICE

**1** Invoice label

## YourDMS

1 Stanton Court (First Floor),
Stirling Road, South Marston Park,
Swindon, Wiltshire SN3 4YH
**T** 01285 810606
**E** accounts@yourdms.net
**www.yourdms.net**

# INVOICE

**Invoice No.** 0001
**Invoice Date** 1 March 2020
**Account No.** ABC123

**2** Name and contact details

**7** Invoice number

**6** Invoice date

**Billing Address**
Name
Company
Address
Town, County, Post Code
**T** 01234 567890

**Delivery Address**
Name
Company
Address
Town, County, Post Code
**T** 01234 567890

**5** Company / billing address

**4** Delivery address

**8** PO number

| Salesperson | PO Number | Supply Date | Delivery Method |
|---|---|---|---|
| Jane Smith | 88931 | 8/3/2020 | N/A |

**6** Supply date

| Quantity | Part No. | Description | Unit Price £ | Net Amount £ | VAT Rate | VAT £ |
|---|---|---|---|---|---|---|
| 5 | 2443 | Black Gel Pen, Box 10 | 6.50 | 32.50 | 0.00 | 0.00 |

**10** Details of goods / services provided

**13** Match PO details for unit of measurement and currency

| | |
|---|---|
| Total Net Amount | 32.50 |
| Shipping & Handling | 8.00 |
| Total VAT Amount | 0.00 |
| Invoice Total | 40.50 |

**Comments or special instructions:**
**Associated Delivery Note No. BB34579/T**

**9** Useful information

**12** Payment terms

**Payment Terms**
Payment is due within 30 days. Please make all payments by Bank Transfer using the Invoice Number as your reference.

**If you have any questions concerning this invoice, please contact**
**Beverly Wright. T 01285 810606, E accounts@yourdms.net**

**3** Accounts contact details

**Bank details**
Bank Name: Name
Account Name: YourDMS Limited
Account Number: 12345678
Sort Code: 12-34-56

**11** Payment details

## THANK YOU FOR YOUR CUSTOM

**Registered Office** YourDMS Ltd, Address, Town, County, Post Code
**Company Registration Number** 1234567    **VAT Registration Number** GB123456789
**Directors** Mr Managing Director, Mrs Managing Director

**Limited Companies must include:**
- registered office address
- company registration number
- the formal registered company name
- any trading name being used

If you include the names of directors on your invoices, you must include the names of all directors.

**VAT invoices must include:**
- Your VAT registration number, and either
- The VAT rate and total amount of VAT charged if all products and services are subject to the same VAT rate
- Or the amount of VAT and the VAT rate charged on each product or service if they are subject to different VAT rates

# ORDER

**1** Order label

## YourDMS

1 Stanton Court (First Floor),
Stirling Road, South Marston Park,
Swindon, Wiltshire SN3 4YH

**T** 01285 810606
**E** accounts@yourdms.net
**www.yourdms.net**

**2** Name and contact details

# ORDER

**Order No.** 0001
**Order Date** 1 March 2020
**Account No.** ABC123

**7** Order number
**6** Order date

**Billing Address**
Name
Company
Address
Town, County, Post Code
**T** 01234 567890

**5** Company / billing address

**Delivery Address**
Name
Company
Address
Town, County, Post Code
**T** 01234 567890

**4** Delivery address

**8** PO number

| Salesperson | PO Number | Supply Date | Delivery Method |
|---|---|---|---|
| Jane Smith | 88931 | 8/3/2020 | N/A |

**6** Supply date

| Quantity | Part No. | Description | Unit Price £ | Total £ |
|---|---|---|---|---|
| 5 | 2443 | Black Gel Pen, Box 10 | 6.50 | 32.50 |

**10** Details of goods / services provided

**13** Use correct unit of measurement and currency

| | |
|---|---|
| Subtotal | 32.50 |
| Discount | 0.00 |
| Shipping & Handling | 8.00 |
| Total | 40.50 |

**9** Useful information

Comments or special instructions:
**Please ensure that our part numbers are used where applicable. Invoices will not be paid without the order number being present.**
**Invoices must include requisitioner contact.**
**We do not accept part shipment.**

***IF YOU DON'T ADD OUR PURCHASE ORDER AND PART NUMBERS TO YOUR INVOICE, IT MAKES IT HARDER FOR US TO PAY YOU***

If you have any questions concerning this order, please contact
Beverly Wright. **T 01285 810606, E accounts@yourdms.net**

**3** Accounts contact details

## Making POs work for you

A key factor in making sure you get the right information on your invoice, is putting the right information on your order. Suppliers will generally mimic the detail on your order in their invoice. Therefore, make life easier for yourself by ensuring the supplier has the detail you want on their invoice. A human trait, we find it easier to copy than to create from scratch. If you look at the order on the previous page, you'll see some guidelines for making sure the detailed information you require is clearly defined.

Many companies don't use PO numbers for utility bills as they are not a fixed cost. However from a budgetary perspective, Finance Directors will have a rough idea of what they expect their yearly utility costs to be. PO numbers can be used strategically for utility bills by setting up rules. For example, if an invoice from supplier X is less than £800.00 per month, it can be paid. If it is over £800.00 it must be approved by the Finance Director. It is always easier to process an invoice if you have an ordering system to check against. Utility companies are happy to include the PO number as a reference number on your bill.



If ¾ of the way through the year, you have nearly reached the total amount budgeted for the year, there are two things you can do. Firstly, the amount the PO number has been raised for can be adjusted to take into account the increased spend. Secondly, because the increased spend has been highlighted, you can look at the reasons why. What has changed?

Using a PO number in this way allows you to keep more control of basic business costs, and act more quickly if costs exceed the expected budget.

## Working with your suppliers

Working closely with your suppliers will benefit both of you. Let your suppliers know how you need them to format their invoices so that you can pay them more promptly. If they make the same mistake on every invoice, or on a particular line item, let them know and ask them to fix it so that you don't have to. An issue can be fixed once in an internal system, rather than amended hundreds, if not, thousands of times at the invoice processing stage. You are the customer and your suppliers should be happy to work with you to increase your efficiency and be paid on time. It's a win-win situation.

Establish a designated point of contact with suppliers that your organisation makes regular payments to. Raise all invoice issues and concerns with this person.[6]

You can send the Best Practice section of this guide (pages 10 – 13) to them and ask them to follow the guidelines for setting up an invoice correctly. If suppliers won't work with you to improve your invoice approval and payment process, it may be time to find a new supplier who will.

## Informing your supplier of payment

When a supplier invoice has been paid, it is good practice to inform that supplier of the payment details made, including the account the payment was made to. [6]

# LEVERAGING TECHNOLOGY IN THE MODERN AP DEPARTMENT

Take a look at the manual processes in your AP department. Have they changed much over the last 60 years? You may have a computer instead of a typewriter but if you are entering data in your Accounts system manually, and checking data against a 'master' file (which is also manually updated), then not that much has changed.

Using outdated manual processes requires more time and money, and can lead to a lack of visibility affecting your ability to plan and budget for future growth. In addition, when it's difficult to review process performance, it is difficult to ensure the Accounts Payable department is running as efficiently as it should be.

There have been many exciting advances in technology that can remove the need for manual data entry, manual cross checking of data and manual coding. These not only reduce the time it takes to process an invoice and the costs involved, but improves accuracy and efficiency too. Utilising technology allows you to grow your business without increasing the size of the Accounts Payable team - another way to reduce costs.

# What does a modern Accounts Payable department look like?

**Embraces technology**

Technology and efficiency go hand in hand. The agile AP department embraces the *right* technology to allow it to transform and excel in a rapidly changing landscape. Technology is integrated into every aspect of the department.

**Automated & streamlined**

Inefficient and manual processes are replaced with efficient, streamlined, automated processes which reduce 'touch points' and errors.

Data is automatically captured from incoming invoices (paper and digital), eliminating manual data entry and improving accuracy.

3 way matching automatically compares data captured from the invoice with the data on the Purchase Order and Goods Received Note. Anomalies and duplications are reported to the appropriate person to be resolved, saving time and ensuring the integrity of the data. Only invoices containing the correct information are paid.

**Productive & proactive**

A happy, productive team with the time to focus on core tasks, be proactive and respond to challenges and opportunities. This allows employees to actively contribute to business growth, and positively influence the present and future competitiveness of the business.

**Integrated**

All systems are integrated and data is easily shared between them. For example, your Document Management system integrates with your Accounts system. There is also close integration between departments such as Finance, Accounts and Procurement. Sharing data in this way produces a clear picture of the companies finances.

**Compliant**

There is a full audit trail of the Accounts Payable process, including every process transaction and every time a user views a document. Invoices and financial data can be securely stored in line with the strictest compliance regulations. Expiration dates can be set for records to be deleted/destroyed when they are no longer needed.

**Flexible**

A team with the ability to enjoy flexible and mobile working patterns if required. Systems can be accessed any time, any where on web enabled devices. Invoices can be approved by managers at a time and place that is convenient to them.

**Control & reporting**

Improved productivity, increased accuracy, and up-to-date reporting ensures you have complete control over your finances, budget and cash flow. You have a clear view of the status of any invoice and where it is in the approval process.

Accurate data and reporting enables the business to practice data-driven management of everyday business matters, and is essential in identifying trends and making informed decisions.

**Scalable**

In an agile AP department, an increase in business doesn't equal an increase in staff!

A happy, productive team with the time to focus on core tasks, be proactive and respond to challenges and opportunities.



Automated, scalable solutions grow with the business and easily handle any increase in the number of invoices received - no increase in the number of administration staff is required.

**Working closely with suppliers**
With the guarantee of prompt payment, suppliers are happy to format invoices in exactly the way that you want, including all required information and correct part numbers that are a match with what is in your system.

**Paper free**
No more paper files! No more misfiled documents! No more lost documents! Data is captured from a paper file and converted into a digital file. All digital files are stored in a central repository with indexes, and intelligent search functions make it simple to find any document, no matter how long ago it was filed.

**Improved customer service**
Queries can be answered quickly - it takes seconds to search for and retrieve digital files from the central repository. Finance Directors, Managing Directors, stakeholders, colleagues, customers and suppliers are not kept waiting for a response.

**Profit centre**
Building relationships with suppliers and negotiating better terms and discounts, allows the AP department to save money and lower operating costs. This money has a significant impact and boosts the bottom line, making the FD very happy.

Does this look like somewhere you would like to work?

# Summary

There are lots of challenges for the Accounts Payable department to overcome when processing invoices manually. Businesses need to work closely with their suppliers to make sure the invoices they receive are formatted in the correct way, making it easier for them to pay on time.

Reviewing Best Practices show that making small changes to the way invoices are formatted can make big differences to how quickly and easily they can be processed, approved and paid – regardless of whether invoices are processed manually or with an automated solution.

When businesses have control over their invoice processing, they can pay suppliers on time, reaping the benefits of prompt payment discounts, improved supplier relationships and a clear picture of their financial obligations.

For Accounts Payable departments who wish to become a strategic business unit, utilising automated invoice processing solutions not only saves time, money and improves staff morale, they will actively allow your business to grow, streamlining processes and freeing up employee time to focus on core business tasks.

**Sources**
1 Sage Pay, www.sagepay.co.uk/news/uk-smbs-are-owed-55bn-in-outstanding-invoices
2 Hackett Group, www.thehackettgroup.com
3 Paystream Advisors, www.paystreamadvisors.com

4 Office for National Statistics
5 Bacs Payment Schemes Limited (Bacs)
6 Financial Fraud Action UK, 'Are they really one of your regular suppliers? Invoice fraud – check twice, or pay the price' leaflet

# About YourDMS

YourDMS offer tailored solutions for Document Management, Data Management and Accounts Payable Processing that streamline processes, allowing businesses to gain control of their documents, data and financial obligations. Improving efficiency saves time and money, and enhances company engagement with customers and suppliers.

We use over 20 years of experience to help you balance the needs of your business now, with those in the future.

We consistently deliver high-quality solutions in simple jargon-free terms. We understand not only how the product works, but how it should work for your business.

Our dedicated support team serves hundreds of companies in the UK and Europe. We work with a range of software solutions to fully support businesses to remove their administrative headaches and deliver business efficiencies.

Our business ethics are clear – we only provide solutions that save time, money and improvement with a level of service you may not have experienced before.

### Understanding your needs
We only provide solutions that are right for your business.

### Saving your business time
Streamlining your processes and tasks allowing employee time to be spent where needed.

### Making sure you save money
Providing solutions to enable you to re-invest and grow your business.

### Jargon free
Simple, clear, transparent – you know exactly what to expect.

### Supporting your business
Outstanding customer support packages that help you every step of the way.

## Our strong partnerships with industry innovators

INVU:    ABBYY    CumulusPro    sisense

FUJITSU    DRAYCIR    Microsoft    docSAFE

# How we work with Accounts Payable

Our Accounts Payable solutions streamline and automate your purchasing, invoice approval, expense management and reporting processes, removing manual data entry, multiple human touch points and reducing errors.

All of our solutions can integrate with your existing systems to give you complete control over and visibility of your financial obligations.

### Automated Invoice Processing

Whether supplier invoices are paper based or electronic, our Purchase Invoice Processing solution will capture, recognise, interpret and process them with little or no intervention. A smarter, faster, streamlined approach to invoice processing.

### Purchase 2 Pay

An efficient, automated end-to-end Purchase Order Processing solution that streamlines purchasing transactions. Internal requisitions can be generated, approved and sent to a supplier in a controlled environment.

### Automated Expense Management

The YourDMS Expense solution & mobile app is the easy way to manage employee expenses. Automate and streamline the complete process. Allow employees to build and submit claims quickly and easily, using their phone to capture receipts instantly, on-the-go.

### Business Intelligence

Easily prepare, analyse and explore growing data from multiple sources with a Business Intelligence solution. YourDMS simplifies and manages every step of the analytics process taking complex data and instantly creating insights that drive your business.

### Automated Data Capture

With Automated Data Capture (ADC), you can capture information as it enters the business, extract data and intelligently populate your back office applications automatically.

### Digital Workflows

Control how work is done throughout your organisation with electronic business workflow. Procedures are followed every time, making sure the right documents reach the right people at the right time.

### Consultancy

We take time to consult with our customers ensuring they receive a solution that is tailored to benefit their business, that meets their individual needs, now and as they grow.

### ⟫ LET'S TALK...

If you would like to find out more about any of our Accounts Payable solutions – give us a call on **01285 810606** or email **jack.wright@yourdms.net**.

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