# Core Accounting Automations

## 10 Essential Automations: 1970s Manual Process vs 2025 Automation

**Version:** 1.0.0  
**Created:** October 21, 2025  
**Purpose:** Examples to explain automation value to anyone who’s done manual accounting

## What is Zapier?

**Zapier is software that connects your business apps and automates workflows.**

**Simple explanation:**  
“When THIS happens, automatically do THAT.”

**Examples:** - When an invoice arrives by email → Save it, log it, and set a payment reminder - When an expense is submitted → Categorize it, route it for approval, and update budgets - When a payment is received → Mark the invoice paid, update cash flow, and thank the customer

**The pattern:** Trigger → Action → Action → Action…

Every automation follows this same simple logic, but the combinations are endless.

## The 10 Core Accounting Automations

### AUTOMATION #1: Invoice & Receipt Tracking

#### **The 1970s Way (Manual Process)**

**Daily routine:** 1. Mail arrives with invoices from suppliers 2. Open each envelope 3. Date stamp the invoice 4. Manually write invoice details in ledger: - Date - Vendor name - Invoice number - Amount - Due date - Account code 5. File physical copy in vendor folder 6. Calculate running total by hand 7. At month end: Type monthly summary report 8. Pray nothing got lost or misfiled

**Time per invoice:** 5 minutes  
**Typical volume:** 20 invoices per week  
**Weekly time cost:** 100 minutes (1 hour 40 minutes)

#### **The 2025 Automated Way**

**ZAP SETUP:**

Trigger: Email received with attachment from known vendor  
 (e.g., invoice@supplier.com)  
  
Action 1: Save PDF attachment to Google Drive  
 └─ File path: "Invoices/2025/October/[Vendor Name]/"  
   
Action 2: Extract key data from PDF using OCR  
 ├─ Invoice number  
 ├─ Invoice date  
 ├─ Amount due  
 ├─ Due date  
 └─ Vendor name  
   
Action 3: Create new row in "Accounts Payable" spreadsheet  
 └─ All extracted data auto-fills  
   
Action 4: Create invoice in QuickBooks/Xero  
 └─ Status: "Awaiting payment"  
   
Action 5: Send Slack notification to AP team  
 └─ "New invoice from [Vendor] - $X due [Date]"  
   
Action 6: Create calendar reminder  
 └─ 3 days before due date

**Time per invoice:** 2 seconds (automatic)  
**Human involvement:** Only review flagged exceptions  
**Weekly time cost:** 5 minutes (checking exceptions only)

**Time saved:** 95 minutes per week

### AUTOMATION #2: Expense Tracking by Project

#### **The 1970s Way (Manual Process)**

**When employee submits expense:** 1. Employee fills out paper expense report 2. Attaches physical receipts (stapled or taped) 3. Submits to accounting via mail or hand delivery 4. Accountant reviews each receipt 5. Manually allocates to correct job/project number 6. Types into project cost ledger 7. Types into general expense ledger 8. Calculates project totals by hand 9. Updates budget tracking spreadsheet 10. At month end: Generate project profitability reports 11. Re-key everything for tax purposes

**Special pain point for construction:**  
Job costing was CRITICAL. Every nail, every worker hour, every truck rental had to be allocated to the right project to know if you were making or losing money.

**Time per expense:** 10 minutes  
**Typical volume:** 30 expenses per week  
**Weekly time cost:** 300 minutes (5 hours)

#### **The 2025 Automated Way**

**ZAP SETUP:**

Trigger: Employee submits expense via mobile app  
 (Takes photo of receipt on their phone)  
  
Action 1: OCR reads receipt automatically  
 ├─ Amount: $127.50  
 ├─ Vendor: Home Depot  
 ├─ Date: October 21, 2025  
 └─ Category: Materials  
  
Action 2: Employee selects from dropdown  
 ├─ Project: "Johnson House Remodel" (Job #2025-14)  
 └─ Cost code: "Lumber & Materials"  
  
Action 3: Add to "Project Expenses" database  
 └─ Links to project automatically  
  
Action 4: Update project budget in real-time  
 ├─ Budget remaining: $45,200 (was $45,327.50)  
 └─ Percent used: 73%  
  
Action 5: Route for approval (if needed)  
 └─ If over $500: Send to project manager  
 └─ If under $500: Auto-approve  
  
Action 6: Push to QuickBooks  
 └─ Under correct job code and expense category  
  
Action 7: Update project profitability dashboard  
 └─ Recalculates profit margin automatically  
  
Action 8: If budget alert triggered (>85% used):  
 └─ Notify project manager immediately

**Time per expense:** 30 seconds (employee photo + tap job number)  
**Human involvement:** Manager approves large expenses only  
**Weekly time cost:** 15 minutes total

**Time saved:** 285 minutes per week (4 hours 45 minutes)

### AUTOMATION #3: Accounts Receivable (Progress Billing)

#### **The 1970s Way (Manual Process)**

**Monthly billing routine:** 1. Project manager reports percent complete (often handwritten note) 2. Accountant retrieves contract from filing cabinet 3. Calculate billing amount: Contract value × % complete 4. Type invoice on typewriter (with carbon copies) 5. Calculate payment terms (Net 30, etc.) 6. Mail invoice to client 7. Make note in AR ledger 8. Wait for payment… 9. Check mailbox daily for payment checks 10. When check arrives: Stamp “PAID” 11. Manually update AR ledger 12. Drive to bank to deposit check 13. Update ledger again after deposit clears 14. File paid invoice in different cabinet

**Time per invoice:** 30 minutes  
**Typical volume:** 10 invoices per month  
**Monthly time cost:** 300 minutes (5 hours)

#### **The 2025 Automated Way**

**ZAP SETUP:**

Trigger: Project milestone marked complete in project management tool  
 (e.g., "Foundation Complete" - 25% milestone)  
  
Action 1: Calculate invoice amount  
 ├─ Contract value: $280,000  
 ├─ Milestone: 25% complete  
 └─ Invoice amount: $70,000  
  
Action 2: Generate invoice in QuickBooks  
 ├─ Line items from contract  
 ├─ Payment terms: Net 30  
 └─ Payment link included  
  
Action 3: Email invoice to client  
 ├─ Professional template  
 ├─ Click-to-pay button  
 └─ PDF attachment  
  
Action 4: Create row in "AR Tracking" spreadsheet  
 ├─ Invoice date, amount, due date  
 └─ Status: "Sent"  
  
Action 5: Set automated reminders  
 └─ Due date, +7 days, +15 days  
  
When payment received (Stripe/Bank):  
  
Action 6: Mark invoice as PAID in all systems  
 ├─ QuickBooks  
 ├─ AR spreadsheet  
 └─ Project tracker  
  
Action 7: Update cash flow projection  
  
Action 8: Send thank you email to client  
  
Action 9: Notify project manager  
 └─ "Payment received for Johnson House - $70,000"  
  
Action 10: Update project profitability  
  
If NOT paid by due date:  
  
Action 11: Auto-send friendly reminder (Day 1 overdue)  
Action 12: Second reminder (Day 7 overdue)  
Action 13: Escalate to AR manager (Day 15 overdue)

**Time per invoice:** 30 seconds (marking milestone complete)  
**Human involvement:** Only if payment becomes seriously overdue  
**Monthly time cost:** 10 minutes

**Time saved:** 290 minutes per month (4 hours 50 minutes)

### AUTOMATION #4: Vendor Payments (Accounts Payable)

#### **The 1970s Way (Manual Process)**

**Weekly payment routine:** 1. Pull all invoices due this week from filing cabinet 2. Sort by due date 3. Check each against purchase orders (find those in different cabinet) 4. Verify amounts match 5. Write checks by hand (or type on check printer) 6. Prepare check register 7. Get signatures from authorized signers (sometimes chase down boss) 8. Stuff envelopes, add stamps 9. Mail checks 10. Make copy of each check for records 11. Mark invoices as paid in AP ledger 12. File paid invoices in “Paid” cabinet 13. At month end: Reconcile against bank statement

**Time per payment:** 15 minutes  
**Typical volume:** 20 payments per week  
**Weekly time cost:** 300 minutes (5 hours)

#### **The 2025 Automated Way**

**ZAP SETUP:**

Trigger: Invoice due date approaching (3 days before due date)  
  
Action 1: Compile payment batch  
 └─ "5 invoices due Friday, October 24"  
 └─ "Total: $15,847.33"  
  
Action 2: Send notification to AP manager  
 ├─ List of all invoices  
 ├─ Vendors  
 └─ Amounts  
  
Action 3: AP manager reviews and approves  
 └─ Single click: "Approve Payment Batch"  
  
Action 4: System sends ACH payments automatically  
 └─ Direct bank transfer (no checks, no stamps)  
  
Action 5: Mark all invoices as PAID  
 ├─ In QuickBooks  
 ├─ In AP tracking spreadsheet  
 └─ In vendor records  
  
Action 6: Send payment confirmations to vendors  
 └─ "Payment sent for Invoice #12345"  
  
Action 7: Update cash flow forecast  
 └─ Deduct from projected cash balance  
  
Action 8: Log in payment history spreadsheet  
 └─ Date paid, amount, method, confirmation number  
  
Action 9: File digital receipt automatically  
 └─ "Payments/2025/October/[Vendor Name]/"

**Time per payment:** 5 seconds (part of batch)  
**Human involvement:** Manager approves batch (1 minute)  
**Weekly time cost:** 5 minutes total

**Time saved:** 295 minutes per week (4 hours 55 minutes)

### AUTOMATION #5: Subcontractor Management (Construction Specific)

#### **The 1970s Way (Manual Process)**

**For each subcontractor payment:** 1. Subcontractor completes work 2. They submit invoice (often handwritten on their letterhead) 3. Project manager verifies work completed 4. Retrieve their contract from filing cabinet 5. Check if insurance certificates are current - If expired: Phone call to request updated certificate - Wait for them to mail it - File new certificate 6. Check if business license current 7. Verify invoice amount matches contract/PO 8. Calculate retention (usually 10% holdback) 9. Calculate payment: 90% of invoice amount 10. Process payment (see Automation #4 process) 11. Note retention amount in separate “Retention Held” ledger 12. At project completion: - Find all retention records for all subs - Calculate total retention per sub - Get final lien waivers signed - Process retention release payments - Update all ledgers

**Time per subcontractor invoice:** 20 minutes  
**Typical volume:** 15 invoices per week  
**Weekly time cost:** 300 minutes (5 hours)

**Plus:** Retention release at project end: 120 minutes

#### **The 2025 Automated Way**

**ZAP SETUP:**

Trigger: Subcontractor submits invoice via online portal  
 (Custom form with fields for all required info)  
  
Action 1: Verify insurance status  
 ├─ Check "Subcontractor Database"  
 ├─ Insurance expiration date  
 └─ If EXPIRED:  
 ├─ HOLD payment  
 ├─ Alert admin immediately  
 ├─ Auto-email sub: "Please provide updated insurance"  
 └─ Create follow-up task  
 └─ If CURRENT: Proceed  
  
Action 2: Verify against PO/Contract  
 ├─ Pull contract terms from database  
 ├─ Check: Does amount match?  
 └─ If OVER contract amount:  
 ├─ Route to project manager for approval  
 └─ Require written explanation  
 └─ If WITHIN: Proceed  
  
Action 3: Calculate retention  
 ├─ Invoice amount: $8,500  
 ├─ Retention rate: 10%  
 ├─ Retention held: $850  
 └─ Payment amount: $7,650  
  
Action 4: Create payment in QuickBooks  
 └─ Scheduled for standard terms (Net 15)  
  
Action 5: Update "Subcontractor Payment Tracker"  
 ├─ Sub name  
 ├─ Project  
 ├─ Invoice amount  
 ├─ Retention held  
 └─ Payment date  
  
Action 6: Update "Retention Held" database  
 ├─ Add $850 to this sub's retention total  
 └─ Link to project  
  
Action 7: Log to project cost tracking  
 └─ Update project budget consumed  
  
Action 8: When project marked COMPLETE:  
 ├─ Calculate all retention for this project  
 ├─ Generate retention release batch  
 ├─ Send lien waiver requests to all subs  
 ├─ Track lien waiver receipt  
 └─ Auto-process retention release after waivers received  
  
Action 9: Update subcontractor performance record  
 └─ On-time completion, quality, etc.

**Time per invoice:** 2 minutes (verify quality, click approve)  
**Retention release:** Automatic batch processing  
**Weekly time cost:** 30 minutes

**Time saved:** 270 minutes per week (4.5 hours)

### AUTOMATION #6: Monthly Financial Reporting

#### **The 1970s Way (Manual Process)**

**The month-end nightmare:** 1. **Day 1-2:** Gather all ledgers - Cash receipts ledger - Cash disbursements ledger - Sales ledger - Purchases ledger - Payroll ledger - General ledger 2. **Day 2-3:** Manually calculate category totals - Add up each column with adding machine - Double-check math (errors common) - Re-calculate if doesn’t balance 3. **Day 3:** Type financial statements - Income statement - Balance sheet - Cash flow statement - Make carbon copies (usually 3) 4. **Day 3-4:** If errors found: - Find the error (could take hours) - Re-type entire page - Make new copies 5. **Day 4:** Distribute to management - Hand deliver or mail 6. **Ongoing:** Answer questions, make corrections

**Total time:** 2-3 full days (16-24 hours)  
**Received by management:** 4-5 days after month end  
**Accuracy:** 95% (human errors inevitable)

#### **The 2025 Automated Way**

**ZAP SETUP:**

Trigger: Last day of month at 11:59 PM  
 (Scheduled automation)  
  
Action 1: Pull data from QuickBooks  
 ├─ All transactions for the month  
 ├─ Category totals  
 ├─ Cash balance  
 └─ AR/AP aging  
  
Action 2: Update "Monthly Financial Dashboard" spreadsheet  
 ├─ Revenue by category  
 ├─ Expenses by category  
 ├─ Net profit  
 ├─ Cash flow  
 └─ Budget vs. actual  
  
Action 3: Update "Project Profitability" report  
 ├─ Revenue per project  
 ├─ Costs per project  
 ├─ Profit margin per project  
 └─ Rank projects by profitability  
  
Action 4: Generate visualizations  
 ├─ Revenue vs. Expenses chart  
 ├─ Cash flow trend (12 months)  
 ├─ Profit margin by project (bar chart)  
 └─ AR aging pie chart  
  
Action 5: Calculate key metrics  
 ├─ Total revenue: $185,400  
 ├─ Total expenses: $142,750  
 ├─ Net profit: $42,650  
 ├─ Profit margin: 23%  
 ├─ Cash on hand: $78,200  
 ├─ AR outstanding: $94,500  
 ├─ Average collection time: 28 days  
 └─ Top 3 profitable projects  
  
Action 6: Format into PDF report  
 └─ Professional template with company branding  
  
Action 7: Email to management team  
 ├─ To: Owner, CFO, Operations Manager  
 ├─ Subject: "October 2025 Financial Report"  
 └─ Delivered: 12:01 AM November 1st  
  
Action 8: Archive in "Monthly Reports/2025/" folder  
  
Action 9: Post summary to management Slack channel  
 └─ "October financials ready - Profit up 12% vs Sept"

**Total time:** 0 seconds (automatic)  
**Human review time:** 15 minutes (check for anomalies)  
**Received by management:** Next morning (October 31 → November 1)  
**Accuracy:** 99.9% (data entered once, calculated correctly)

**Time saved:** 16-24 hours per month

### AUTOMATION #7: Receipt Management

#### **The 1970s Way (Manual Process)**

**The shoebox method:** 1. Collect paper receipts (pocket, wallet, shoebox) 2. At end of week/month: Dump shoebox on desk 3. Sort receipts by type 4. Tape or staple to expense report pages 5. Manually write on each: - Date - Vendor - Amount - Category - Purpose 6. Calculate totals with adding machine 7. Type expense summary 8. Submit for reimbursement 9. Wait for paper check 10. File everything in binder

**Problems:** - Receipts fade (thermal paper) - Receipts get lost - Can’t remember what purchase was for - Math errors common - Takes hours at month end

**Time:** 5 minutes per receipt × 30 receipts = 150 minutes per month  
**Plus:** Lost/forgotten receipts = lost money

#### **The 2025 Automated Way**

**ZAP SETUP:**

Trigger: Photo taken of receipt  
 (Via mobile app - immediately after purchase)  
  
Action 1: OCR reads receipt  
 ├─ Vendor: "Starbucks"  
 ├─ Amount: $4.75  
 ├─ Date: October 21, 2025  
 └─ Automatically suggests category: "Meals"  
  
Action 2: User confirms/adjusts  
 ├─ Category: "Client Meeting"  
 ├─ Project: (if applicable)  
 └─ Note: "Meeting with Johnson about remodel"  
  
Action 3: Save image to Google Drive  
 └─ "2025 Receipts/October/Meals/2025-10-21\_Starbucks.jpg"  
  
Action 4: Create row in expense spreadsheet  
 ├─ All data auto-populated  
 └─ Link to receipt image  
  
Action 5: Match to bank/credit card transaction  
 └─ Reconciles automatically when bank data imports  
  
Action 6: Calculate running totals  
 ├─ Total expenses this week  
 ├─ Total by category  
 └─ Reimbursement amount owed  
  
Action 7: Flag if over threshold  
 └─ If single receipt > $100: Require manager approval  
  
Action 8: Include in weekly expense summary  
 └─ Auto-email to accounting every Friday  
  
Action 9: At month end:  
 └─ Generate expense report automatically  
 └─ Process reimbursement (direct deposit)

**Time per receipt:** 15 seconds (photo + tap category)  
**Monthly time cost:** 7.5 minutes for 30 receipts  
**Lost receipts:** Nearly zero (digital backup immediate)

**Time saved:** 142.5 minutes per month (2 hours 23 minutes)

### AUTOMATION #8: Bank Reconciliation

#### **The 1970s Way (Manual Process)**

**Monthly reconciliation nightmare:** 1. **Wait for bank statement** (arrives in mail around 10th of month) 2. **Gather your records:** - Cash receipts ledger - Cash disbursements ledger - Check register 3. **Match every transaction:** - Check #1001 - $347.50 - ✓ Found - Check #1002 - $89.25 - ✓ Found - Check #1003 - $1,250.00 - ✗ Not on statement (outstanding) - [Continue for every check, every deposit] 4. **Note outstanding items:** - Checks written but not cashed yet - Deposits made but not cleared yet 5. **Calculate adjusted balances:** - Bank balance: $15,847.23 - Less: Outstanding checks ($3,147.50) - Plus: Deposits in transit ($2,500.00) - Equals: $15,199.73 - Must match ledger balance exactly 6. **Find discrepancies:** - If doesn’t match: Find the error - Check every transaction again - Look for transposed numbers - Check math on all ledger pages - Often takes hours to find $0.15 error 7. **Make corrections** 8. **Re-calculate** 9. **Must balance to the penny**

**Time:** 4-6 hours at month end  
**Stress level:** Extremely high  
**Accuracy:** Eventually 100% (after finding errors)

#### **The 2025 Automated Way**

**ZAP SETUP:**

Trigger: Daily at 8:00 AM  
 (Scheduled automation)  
  
Action 1: Connect to bank via secure API  
 └─ Pull all transactions from previous day  
  
Action 2: Import into QuickBooks  
 └─ Each transaction creates entry  
  
Action 3: Auto-match transactions  
 ├─ Match to existing invoices/bills  
 ├─ Match to expected payments  
 └─ Use AI to recognize patterns:  
 "STARBUCKS #1847" = Meals & Entertainment  
  
Action 4: Auto-categorize based on history  
 ├─ Vendor: Home Depot → Materials  
 ├─ Vendor: Shell Gas → Vehicle Expense  
 └─ Vendor: Verizon → Phone/Internet  
  
Action 5: Flag unmatched transactions  
 └─ "3 transactions need review"  
 └─ Email link to accounting for quick categorization  
  
Action 6: Update real-time cash balance dashboard  
 ├─ Current balance: $78,847.23  
 ├─ Pending payments: -$5,200.00  
 └─ Projected balance: $73,647.23  
  
Action 7: Detect unusual transactions  
 └─ If transaction over $5,000: Alert immediately  
 └─ If duplicate: Flag for review  
 └─ If from unknown vendor: Require verification  
  
Action 8: Reconciliation status  
 └─ Shows which transactions are cleared vs. pending  
 └─ Always in balance because updated daily  
  
At month end:  
  
Action 9: Generate reconciliation report  
 └─ Already 98% done (only verify flagged items)  
 └─ Takes 15 minutes to finalize

**Daily time:** 5 minutes (review flagged items)  
**Month-end time:** 15 minutes (final verification)  
**Total monthly time:** ~35 minutes (vs 4-6 hours)

**Time saved:** 3.5-5.5 hours per month

### AUTOMATION #9: Time Tracking to Billing (Construction Labor)

#### **The 1970s Way (Manual Process)**

**Weekly payroll & billing routine:** 1. **Collect timesheets** from all job sites (paper) 2. **For each employee, each day:** - Read handwriting (often illegible) - Verify hours make sense - Note which job site they worked - Calculate total hours worked - Calculate regular vs. overtime 3. **Calculate pay:** - Regular hours × hourly rate - OT hours × 1.5 rate - Add up for week 4. **Type into payroll ledger** 5. **Calculate payroll taxes** (by hand or calculator) 6. **Write paychecks** 7. **Now for billing:** - Calculate billable hours per project - Apply billing rate (often different from pay rate) - Note on project tracking sheet - Will be billed to client in next invoice 8. **Update project budgets:** - Hours used vs. hours budgeted - Often discover you’re over budget too late

**Time per employee:** 10 minutes  
**Typical crew:** 20 employees  
**Weekly time cost:** 200 minutes = 3 hours 20 minutes  
**Annual time cost:** 173 hours per year

#### **The 2025 Automated Way**

**ZAP SETUP:**

Trigger: Employee clocks out  
 (Via mobile time tracking app - GPS verified)  
  
Action 1: Calculate hours worked  
 ├─ Clock in: 7:02 AM  
 ├─ Lunch: 12:00-12:32 PM (auto-deduct 30 min)  
 ├─ Clock out: 4:58 PM  
 └─ Total: 9.5 hours (includes 0.5 hour OT)  
  
Action 2: Verify job site location  
 ├─ GPS coordinates match "Johnson House" job site  
 └─ Auto-assign to Project #2025-14  
  
Action 3: Calculate pay  
 ├─ Regular: 8 hours × $28/hour = $224  
 ├─ Overtime: 1.5 hours × $42/hour = $63  
 └─ Total pay: $287  
  
Action 4: Add to "Payroll This Week" spreadsheet  
 └─ Will be included in Friday payroll run  
  
Action 5: Calculate billable amount  
 ├─ Client billing rate: $65/hour  
 ├─ 9.5 hours × $65 = $617.50  
 └─ Add to project's "Time to Bill" tracker  
  
Action 6: Update project budget tracking  
 ├─ Project: Johnson House Remodel  
 ├─ Labor hours budgeted: 480 hours  
 ├─ Labor hours used: 347 hours  
 ├─ Remaining: 133 hours (28% remaining)  
 └─ Project: 72% complete  
  
Action 7: If budget alert triggered:  
 └─ If labor hours > 85% of budget:  
 ├─ Alert project manager  
 └─ "Johnson project using labor faster than expected"  
  
Action 8: Update crew productivity metrics  
 └─ Track efficiency over time  
  
At end of week:  
  
Action 9: Payroll auto-calculated  
 └─ Direct deposit files generated  
  
Action 10: Billing summary per project  
 └─ Hours to include in next invoice

**Time per employee:** 0 seconds (automatic when they clock out)  
**Weekly time cost:** 15 minutes (review anomalies only)  
**Annual time saved:** 160+ hours

**Bonus benefit:** Real-time project budget visibility (catch overruns early)

### AUTOMATION #10: Purchase Order Tracking

#### **The 1970s Way (Manual Process)**

**PO process:** 1. **Create purchase order:** - Fill out pre-printed form (carbon copies) - Keep one copy for your files - Mail one to vendor - Give one to receiving department 2. **File in “Open POs” folder** 3. **Wait for delivery:** - Receiving clerk marks goods received - Sends copy to accounting 4. **Wait for invoice:** - Could arrive before or after goods 5. **When invoice arrives:** - Find the PO in filing cabinet - Compare invoice to PO: - Do quantities match? - Do prices match? - Do part numbers match? - If matches: Approve for payment - If doesn’t match: Call vendor, investigate 6. **Manual tracking:** - Hope you don’t lose track of open POs - Month end: Dig through files to find what’s still open

**Time per PO:** 10 minutes to create + 10 minutes to match invoice  
**Typical volume:** 15 POs per week  
**Weekly time cost:** 150 minutes (2.5 hours)

**Problems:** - Lost POs - Forgotten POs - Can’t quickly see what’s outstanding - Hard to track spending against budget

#### **The 2025 Automated Way**

**ZAP SETUP:**

Trigger: Purchase order created in system  
 (Project manager creates PO online)  
  
Action 1: Auto-generate PO number  
 └─ Sequential: PO-2025-0847  
  
Action 2: Email PO to vendor automatically  
 ├─ Professional PDF format  
 ├─ All terms and conditions included  
 └─ Delivery confirmation requested  
  
Action 3: Create row in "Open POs Tracker"  
 ├─ PO number  
 ├─ Vendor  
 ├─ Amount  
 ├─ Items ordered  
 ├─ Expected delivery date  
 ├─ Project/job number  
 └─ Status: "Open"  
  
Action 4: Add to project budget tracking  
 ├─ Commit amount against project budget  
 └─ Show as "Committed but not spent"  
  
Action 5: Set reminder for expected delivery  
 └─ If delivery date passes with no goods: Alert purchasing  
  
When invoice arrives:  
  
Action 6: Automatically match to PO  
 ├─ Search for PO number in invoice  
 ├─ Or match by vendor + amount  
 └─ Link invoice to PO  
  
Action 7: Compare amounts  
 ├─ PO amount: $3,847.50  
 ├─ Invoice amount: $3,847.50  
 └─ Match: ✓ Proceed to payment  
  
 If amounts don't match:  
 ├─ Flag: "Invoice/PO mismatch"  
 ├─ Alert purchasing manager  
 ├─ Hold payment until resolved  
 └─ Create task: "Verify [Vendor] invoice variance"  
  
Action 8: When payment processed:  
 ├─ Mark PO status: "Closed"  
 ├─ Move to "Completed POs" database  
 └─ Update project costs from "committed" to "actual"  
  
Action 9: Dashboard views:  
 ├─ Total open POs: $47,200  
 ├─ POs pending delivery: 8  
 ├─ POs delivered, pending invoice: 3  
 └─ POs by project

**Time per PO:** 2 minutes (create) + 30 seconds (verify match)  
**Weekly time cost:** 35 minutes  
**Time saved:** 115 minutes per week (nearly 2 hours)

**Bonus benefits:** - Never lose a PO - Always know what’s outstanding - Catch price discrepancies immediately - Better budget visibility (committed vs. spent)

## TOTAL TIME SAVINGS CALCULATION

### Weekly Time Saved

| Automation | 1970s Time | 2025 Time | Saved |
| --- | --- | --- | --- |
| Invoice tracking | 100 min | 5 min | 95 min |
| Expense tracking | 300 min | 15 min | 285 min |
| Vendor payments | 300 min | 5 min | 295 min |
| Subcontractor mgmt | 300 min | 30 min | 270 min |
| Receipt management | 150 min | 10 min | 140 min |
| Bank reconciliation | 60 min | 5 min | 55 min |
| Time tracking | 200 min | 15 min | 185 min |
| PO tracking | 150 min | 35 min | 115 min |
| **Weekly Total** | **1,560 min** | **120 min** | **1,440 min** |

**Weekly time saved: 1,440 minutes = 24 hours**

### Monthly Time Saved

Weekly savings: 1,440 minutes × 4 weeks = 5,760 minutes  
Monthly reporting: 960 minutes saved  
AR progress billing: 290 minutes saved  
Bank reconciliation: 210 minutes saved (4-6 hrs vs 15 min)  
─────────────────────────────────────────────────  
MONTHLY TOTAL: 7,220 minutes = 120 hours  
  
That's 3 FULL-TIME WEEKS of work

### Annual Time Saved

Monthly: 120 hours × 12 months = 1,440 hours per year  
  
At $50/hour accounting cost = $72,000 per year saved  
At $30/hour bookkeeper cost = $43,200 per year saved

### What This Means

**For a small business:**

**Option 1: Maintain current staffing, increase capacity** - Same bookkeeper, now handles 3x the volume - Can take on more projects without adding overhead - Better, faster, more accurate reporting

**Option 2: Reduce staffing cost** - Full-time bookkeeper → Part-time (20 hrs/week) - Save $30,000-40,000 per year - Still get better results than before

**Option 3: Redirect effort to strategic work** - Less data entry = more time for: - Tax planning - Cash flow optimization - Financial analysis - Cost reduction opportunities - Better vendor negotiations

**Document Version:** 1.0.0  
**Created:** October 21, 2025  
**Part of:** Accounting Automation Guide Series