



ACCOUNTING AND FINANCE

Accounts & Payable Benchmarks & Best Practices

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Accounts & Payable Benchmarks & Best Practices

Introduction:

How a company manages its accounts payable processing affects two important business matters: cash flow and supplier relationships. Companies that apply best practices manage accounts payable so that the process both contributes positively to cash flow and supports mutually beneficial relationships with suppliers.

Regarding cash flow, accounts payable practices make a significant difference both in minimizing late-payment costs such as late-payment penalties, interest charges, and lost prompt-payment discounts and in creating efficient operations. A company with smooth running, streamlined accounts payable operations saves money by processing invoices with a minimum of staff and a low cost of materials.

Regarding supplier relations, accounts payable actions inevitably impact the trust between a company and its suppliers. Whether or not a company honors its agreed-upon payment terms, by paying its bills on time, as promised, does more to build trust with suppliers or to tear it down than any other action the company can take. Strong relations with suppliers are important to a company because suppliers provide valuable trade credit, have ideas for new methods and products, and play an important role in customer service.

Who Should Attend?

Directors of Accounting, Managers, Supervisors of Accounts Payable, Accountants, Profess ovals who are motivated to implement proven solutions that will dramatically improve their business i practices.

Course Objectives:

By the end of this course, delegates will be able to

- Pay invoices on a predetermined schedule of the company's choosing
- Ensure the accuracy and authenticity of invoices that the company pays
- Work effectively with the fundamentals of accounts payable, financial accounting and the supply chain
- Appreciate the processes and procedures involved in the evaluation of suppliers
- Understand and apply the fundamentals of accounts payable systems
- Review and comment on payment methods and cash management
- Analyze the need to incorporate risk and uncertainty into accounts payable analysis

Course Outline:

- Accounts Payable Systems: Purchase Order Processing (POP)
- The acquisition/payment process
- · Purchase requisition
- · Purchase authorization
- · Purchase order
- · Stock (inventory) control
- Goods received
- Returned goods
- Physical stock control
- Links with the general ledger
- · Accounts payable (AP)

- · Invoice registration
- · Invoice matching
- · Invoice payment
- · AP links with the general ledger (GL)

Payment Methods and Cash Management

- A- Methods of Payment
- · The payment process
- · Traditional payment methods
- · Electronic funds transfer (EFT)
- · International payments

B- Working Capital and Cash Management

- • Working capital and the working capital requirement
- Managing working capital
- · Cash improvement techniques
- Cash management and the bank facility (line of credit)

Invoices

- · Invoice handling: Approvals
- Forwarding invoices
- · Verifying invoice date
- · Invoice-coding standards
- Short-paying invoices
- · Paying small-amount invoices
- Handling unidentified invoices
- Handling invoices without invoice numbers

Checks

- · Check printing
- · Check signing
- Check stock storage
- · Distribution of checks
- Check fraud
- · Rush or emergency check

Operational

- · Duplicate payment avoidance
- Paying when the original invoice is missing
- Limiting calls to accounts payable
- Petty cash
- · Supplier statements

• Master Vendor File

- · Master vendor file setup
- Using naming conventions
- • Making changes to the master vendor file
- · Master vendor file cleanup
- Cash Management

- · Taking early payment discounts
- Payment status information for vendors
- · Bank accounts and fraud
- · Other cash management-related initiatives

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