

Best Practices in Accounts Payable

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Best Practices in Accounts Payable

- ▶ District AP Overview
- ▶ Transition to Paperless Purchasing & Accounts Payable
 - Paperless Requisitions and Purchase Orders
 - Invoice Processing
 - Payment Processing
- ▶ Regions P Card Program
 - Reconciliation
 - Managing credit card program

AP Overview

- ▶ Auburn City Schools (ACS)
 - 11 schools currently-12 in fall
 - Athletics
 - Maintenance/ Transportation
 - Central Office (CO)
- ▶ Centralized accounting system
 - CO processes all payments
 - Each school/department makes their purchase orders
 - New vendors are added and maintained at the CO
 - Purchase order maintenance is also handled at the CO: voiding, completing, and changes to existing POs

Transitioning to a Paperless Purchasing & AP System

- ▶ Step 1: RQs & POs

Paperless Processes: RQ & PO

- ▶ Nextgen Purchase Requisitions
 - Routing Groups & Rules
 - Rules based on GL component, PO prefix, user ID, amount, etc.
 - Budget-specific rules and global rules (bid threshold, technology, Federal programs)
 - RQ entry/maintenance (same as PO module)
 - RQ submitted for approval → follows routing rules
 - Email sent to each user in routing with RQ attached as PDF
 - Once RQ is approved:
 - Transfer requisition to a PO
 - PO imaged with electronic signature (approval is captured via RQ)
 - PO printed- using SoftDocs virtual printer
- ▶ Email generated in lieu of printed PO copy
 - Automatically emails PO to the originator and to ACS purchasing email
 - Sends copy of PO to DocEScan

Benefits of Paperless RQs & POs

- ▶ Time and paper saved
 - RQ approval simplified
 - Sending and receiving courier mail is no longer required
 - Eliminated need to file and maintain paper PO copies
- ▶ PO is immediately available in the originators email
 - Allows forwarding to the teacher or vendor
 - Eliminates the need to print, scan and then email
- ▶ Digital copies are filed in our virtual filing system
 - Pending PO folder is created in DocEScan
 - Eliminates scanning of the PO step from AP process
- ▶ PO can be printed from email if paper copy is needed

Requirements for Paperless RQs & POs

- ▶ RQs
 - Mapping/planning of RQ routing groups and rules
 - Electronic signature collection
- ▶ Paperless POs
 - Changes in NextGen
 - PO report name must be changed for each PO prefix in the PO validation tables tab
 - Printing parameters for each PO originator are set to the MCAI DocEScan printer
 - SoftDocs requirements
 - List of all PO prefixes
 - Email address of the originators for those prefixes
 - Signature card for each PO prefix approver
 - Email organization
 - Outlook folder and rules

Year	Last No.
2016	1055
2015	1035
2014	916
2013	795
2012	0
2011	0
2010	0

AP	TX	Printer Name	Paper Size	La	Use	App	Font Name	Font Size
PO	PRPO	AIG-enclatext	Letter	No	No	No		

Transitioning to a Paperless Purchasing & AP System

- ▶ Step 1: RQs & POs
- ▶ Step 2: Invoice Processing

Paperless Processes: Invoice Processing

- ▶ SoftDocs AP approval form
- ▶ Invoice approval procedure:
 - Invoices are scanned in and attached to an AP form
 - Form routed to the PO originator
 - Notification of awaiting form emailed
 - Log into SOD inbox and open AP forms awaiting action
 - Open attachment and review invoice
 - Bookkeeper completes form
 - Form is then routed to Archive to be filed in DocEScan
- ▶ Invoices are entered in a NextGen batch and merged
 - Weekly a check batch is created at the Central Office

Benefits of Paperless Invoice Processing

- ▶ Increased efficiency
 - All steps necessary to issue a payment are achieved without the use of paper
- ▶ Improved organization
 - AP approval form serves as a vehicle for combining all documents into a single scanned copy
 - Eliminated requirement of printed invoices for folders and filing cabinets!
- ▶ All employees access through common platform

Requirements for Implementing Paperless Invoice Processing

- ▶ SoftDocs
 - Created AP form according to ACS financial process and procedure guidelines
 - Created positions and routes for form
 - New position created to grant each cost center access to the form in the library for the person who will open and approve the invoice
- ▶ Training
 - SoftDocs provided onsite training for CO
 - ACS bookkeepers and principals/department heads trained by CO
- ▶ Equipment needs
 - Scanners
 - Dual monitor systems

Transitioning to a Paperless Purchasing & AP System

- ▶ Step 1: POs
- ▶ Step 2: Invoice Processing
- ▶ Step 3: Payment Processing

Paperless Processes: Payments

- ▶ Weekly check batch is processed at the Central Office
 - All invoices that have been merged are pulled together in a single check batch
 - AP bank account is the only one set up for ACH payment processing
- ▶ Setting up ACH in NextGen
 - Bank statement reconciliation
 - Bank code maintenance
 - Select bank code you want to enable for ACH
 - Tab 2
 - Middle of page, check box allow ACH for this bank code
 - Enter bank details

AP/BANK: Bank Code Maintenance (V3.11)

Bank Code: [tab]

1. Bank Account Settings 2. Other Settings

Interest Account # [T1-4-6810-000-0000-6001-0-0000-0000]

Account Number []

State Check Comp [] Value []

☒ Allow ACH for This Bank Code

Destination DFIRTN [06220257] Bank Name [Auburn Bank] Last Stmt # Used [9000002420]

Originator DFIRTN [06220257] Bank Name [Auburn Bank] ☐ Savings Account

☐ Generate Debit ☐ Replace Originator DFIRTN on File Header ☐ Set Format Code to Blank

Debit DFIRTN [] Bank Name [] ☒ Notified Flag

Acct # []

ACH Stmt Rpt [APPRCHKPulACHSmt.rpt] Remote Name [] Password []

Inquire Mode: Enter the Key Word for the Desired Record

**Transitioning to Paperless Processes:
Paperless Payments**

- ▶ ACH payments
 - Employees: reimbursements mandatory
 - Must have a completed ACH form before invoice is processed
 - Current vendors:
 - Letters sent out with checks detailing the changes in payment methods
 - Option to be paid via ACH direct deposit or by credit card (regions intersect)
 - New vendors:
 - Required to submit a W9 and a ACH form before any payments are issued
- ▶ Regions P Card payments
 - Ghost card or virtual cards used to pay all invoices from vendors that will accept cards
 - Schools/departments use P cards with any vendor that will accept card at point of sale/ordering

Requirements for Paperless Payments

- ▶ Notify vendors of new AP payment options
 - Create and send letters to vendors requesting bank information
 - Campaign to enroll vendors in Regions interest
- ▶ Update vendor file
 - Tab 3 other
 - Input bank information and email details
- ▶ SoftDocs
 - Set up of email subject and body
- ▶ Regions statements must be reconciled each month

AP/INVT: Vendor Maintenance (v3.21)

1 Vendor 2 1099 3 Other 4 Contacts 5 Comments 6 Groups 7 Dollars

Vendor # 0033 SOFTDOCS DUNS Number

☐ Local Vendor

PQ Trans Type Deliver ☒ Request Paid Receipt

Email Contact Name

Email Address(es)

Test Email

Default Account # No Account Selected Bid Interface Vendor

☒ Electronic Payments

☒ ACH Notified ACH Trans Type Email

DFJ Account 05590604 Savings Acct Email Contact Name Wanda Jumper

Bank Account 08513129901 Email Address(es) jmaugsburger@auburnschools.org

Test Email

Warehouse

Warehouse CCTR ☐ Inventory in Process

Asset Test Acct # No Account Selected

Bank Code

Date Created 10/1/2007 Created By

Min Order \$ 0.00 Currency

Receiv Tol % 0%

Change Mode: Enter the Key Word for the Record to be Changed

Benefits of Paperless Payments

- ▶ Reduction of mail
 - No postage costs
 - Lost checks/ incorrect addresses
- ▶ Bank reconciliation
 - No waiting for checks to clear
 - No stop payments
- ▶ Rebate dollars
 - Cash back to school district for all credit card transactions

Regions Intersect

- ▶ How to process AP batch with a virtual payment
 - Add new invoice batch only for vendors that have been set up to receive virtual payment
 - Mark virtual card in the detail area for the batch
 - Enter invoices as usual
 - When merged a file will be created
 - This file will be saved wherever you choose
 - The file then needs to be uploaded in the Regions Intersect website
 - Each vendor receives an email from Regions with a onetime use credit card number for exact match only and the invoice details
 - Monthly a reconciliation file is emailed from Regions
 - This file is saved and pulled in to "select invoices to be paid"
 - Select credit card as payment method this will open up reconcile with a file option
 - Browse and find the file that was saved for the month
 - All invoices processed in virtual batches during the month will populate
 - The batch total should match your statement total for the virtual card

[illegible]

Regions P Cards

- ▶ Plastic cards used throughout the school district
 - All schools, principals, maintenance, transportation, fuel, athletics, boosters, clubs, afterschool program, CNP and central office departments
 - Each bookkeeper for that school/department manages their cards
 - Checks out the cards
 - Retains receipts
 - Reconciles the statement each month

[illegible]

Reconciliation

- ▶ There are central bills set up for each school
- ▶ The bookkeeper reconciles their cards to the monthly statement
 - A spreadsheet is used to help collect account numbers and to allow for ease in entering the invoice batch
 - Each card has its own Regions vendor- the invoice is entered to this vendor.
 - Example: Regions-Finance department is the vendor name used to enter the monthly invoice for the Finance P Card
 - Only one invoice with multiple GL codes
- ▶ As each card is reconciled and invoices merged I verify the batch total matches the statement total
- ▶ Once all cards are reconciled and invoices entered a check batch is created for single check payable to Regions that equals the monthly draft to the AP bank account

[illegible]

P card Management

- ▶ **Regions card management system**
 - Platform with real time action
 - Monthly limits can be increased to allow for large purchases
 - Overrides can be issued to increase daily and single transaction limits and merchant code restrictions
 - Can be put in place for up to 96 hours and 9 swipes
- ▶ **Setting up a district P Card program**
 - Determine single, daily, and monthly limits
 - Assign MCC- merchant codes for card groups
 - Allow bookkeepers rights to view transactions and statements

Questions?

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