



## **Accounts Payable Department**

In perhaps no other department of a company can the benefits of document imaging be applied with such productivity gains and rapid payback as in the Accounts Payable department. Quick access to accurate information is the key to successful cost containment in any department, but particularly so in Accounts Payable. Accurate, on-time information allows supplier discounts to be taken, eliminates duplicate payments to vendors, and significantly reduces the amount of time required to answer questions both from in-house personnel and from vendors.

With document imaging and COLD, all A/P documents created in-house, including purchase orders, receivers, checks, and reports, can be captured, indexed, and made available for instant retrieval. In addition, all of the outside documents such as receivers, packing lists, and vendor invoices can be scanned into the imaging system and matched up with the appropriate purchase order. Rather than spending time searching through mountains of paper files for the supporting documents needed to resolve a problem, the exact pages can be called up instantly, right at the clerk's desk.

Need a hard copy of a page? No problem! Any image in the system can be printed on a laser printer. Need to send a copy to a vendor? No problem! Any image in the system can be sent out directly as a fax, without ever being printed.

Imaging's advantages include the ability to take advantage of supplier discounts and avoid interest and late payment charges, reduction of storage space, improved document control, faster resolution of disputes, broader availability of documents, and better cash flow management.

The first step in the A/P process is to generate a purchase order. This is done by your existing accounting software. When the paper PO prints, the software sends a duplicate electronic copy to the imaging system automatically. The imaging server captures each purchase order, extracts the appropriate index fields such as PO number, date, vendor number, and vendor name, and then stores the image. As soon as the paper copies of the purchase orders have been printed, there is also an electronic copy of each page, already organized, indexed, and stored in the imaging system.

Next, the vendor delivers the items to your warehouse. When the goods are delivered, warehouse personnel validate what has been received and make notations of any discrepancies or variances on the receiver document. Since the

receivers are external documents, they cannot be captured electronically. And, since the vendor controls the format and layout of the receiver, it is unlikely that there will be a bar code on it that could be used for indexing. The receivers will have to be scanned and indexed manually. The receivers need only be indexed with the PO number.

The third step is for the vendor to submit an invoice for the delivered goods. The invoice must be compared with the original purchase order and with the receiver to ensure that it is correct. Some companies use the paper copies of the documents to do this. Other companies now use the electronic copies of the purchase order and the receiver to complete this process. At some point, the vendor invoice needs to be scanned. Like the receiver, it will have to be manually scanned and indexed.

The final step is to print the payables checks. These are created by your existing accounting software. As the checks are printed, a copy of each check is sent to the imaging server electronically. The imaging server extracts the appropriate index information, check number check date, payee, and the invoice numbers and purchase order numbers that are being paid by that check.

At the end of this process, there will be four items in each purchase order batch. There will be the original purchase order, which was captured electronically, the receiver, which was manually scanned, the vendor invoice, which was manually scanned, and the payables check, which was captured electronically. When a question is raised about any part of this transaction, all of the relevant documentation is instantly accessible, right on your screen. Any page can be printed, sent out as a fax, or emailed directly from the imaging system.