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www.ap-now.com

Are Paper Invoices Going the Way of the Dinosaur?

A note arrived in our in-box the other day from one of our readers. "Can vendors demand we accept only e-mail or fax invoices?" it asked. This piqued our interest so we started investigating and found that the way all sorts of organizations receive invoices is being turned on its head. What's more, as our investigation continued, we discovered something intriguing: many accounts payable departments are receiving invoices either by e-mail or fax rather than through the mail.

In fact, many are encouraging vendors to send them in this manner. And a good number of those who haven't explored that avenue think it's a great idea. What follows is an in-depth look

at this issue with advice on how you can take advantage of this growing phenomenon.

Death of the Sacred Cow

Do you remember when one of the best ways to prevent a duplicate payment was to never pay from a fax or copy of an invoice? Paying only from the original invoice was deemed to be a good control. Well, it still would be except for one thing. As many readers noted, with technology, there is no such thing as one original invoice. You can have as many originals as you like—and they all look great!

Given that sad reality, there is no reason to insist on only paying

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A Really-Simple Solution to The Old 'Sloppy Invoice' Problem

A good invoice gets a good check, is the way many old-timers in accounts payable respond to the charge that they don't turn around invoices as quickly as the vendor might like. Of course, as those pros know, the little issue of getting a good invoice is not so simple. There are all sorts of problems: invoices

without a PO or name of requisitioner, invoices without invoice numbers, invoices with incorrect TINs, invoices for work outside the scope of the purchase order, and on and on.

The Problem

Invoices missing the requisite information can make the accounts pay-

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Invoice Focus
Coming next month: **Obliterate Duplicate Payments**

Case Study: Five Steps that Would Have Saved Delaware \$1,200,000!

Recent reports regarding the theft of unclaimed property by a Delaware state employee demonstrates just what can go wrong in any organization when basic fundamental controls are ignored. Although the case in question involved the theft of unclaimed property, lack of the basic controls could result in fraud in any organization. Let's take a look at what went wrong and how you can make sure the same thing doesn't happen in your accounts payable department.

The Story

Anthony J. Lofink, son of Delaware state Rep. Vincent A. Lofink, was sentenced to five years in federal prison for embezzling \$1.2 million from the state's abandoned property fund. He was in charge of processing claims from people seeking the return of unclaimed property and then handing out the checks once the claims were approved.

Even the judge in handing down the sentence commented on the complete lack of oversight in the case. State auditors have said this is one of the largest thefts of state money in Delaware history.

An Ounce of Prevention

There are some frauds that are so ingenious it's hard to see how

they could have been prevented. Alas, this was not such a case. If the following steps had been taken, this fraud would not have been possible. In fact, if any one of just the first three steps had been incorporated into the states processes, the fraud would probably have failed.

Step 1. Insist on the appropriate segregation of duties. Lack of oversight was cited as a big factor in this case. By letting the same person process the claim and hand out the check the state violated this very basic control. It's the same principle as not letting those who process invoices also sign checks.

Step 2. Background checks for those who handle a firm's money should be required. Had the state completed even a basic check they would have discovered this employee had been fired from a prior position at a bank because of drug problems. This alone should have been a red flag that this was not an individual who should have any access to funding—never mind one without any monitoring.

Step 3. Require that employees each have their own passwords, that passwords are never shared, and they are periodically changed. Frequent changes can be an annoyance to employees

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but the consequences as demonstrated here far outweigh the minor inconvenience. In the Delaware case, the supervisor never changed his password, which was—by the way—password. When was the last time your staff changed their passwords?

Step 4. Be aware that your employees know where the weaknesses are in your processes. Work to eliminate them even if it means having a third party come in and do a review of your processes. Side note: this is yet another benefit of having a duplicate payment audit done as the audit firm should give you a report detailing the flaws in your process. In this case the employee knew how to avoid procedural red flags and his insider knowledge helped him forge documents effectively.

Step 5. Have an anonymous hotline where anyone can report a possible crime. As with many frauds this one was only uncovered when the state received an anonymous tip. It is how a large number of frauds are uncovered—so make it easy for tipsters to share their information.

Concluding Thoughts

Think about your own processes. Can you readily identify any weak spots? If so, you can be certain that your employees have discovered them also. Plug them immediately before you end up in the same situation as the state of Delaware. Even if you don't have obvious gaps, make sure that you have incorporated the steps above into your own processes so you don't receive an anonymous tip someday about one of your employees dipping into your employer's pot. **AP N&T**

AP 101: Part 3 Invoice Handling

This is the third in a series of short articles devoted to the basics of accounts payable. They are intended for those new to accounts payable as well as those who'd like to review the basics. In this section we'll take a look at the basics of invoice handling.

Invoices the Old Way

Traditionally, a paper invoice arrived at the company and required a manual approval to be processed for payment. There was quite a debate over whether the invoice should go first to AP to be logged in and then sent to the purchaser for approval or go to the purchaser first and only come to AP after it had been approved for payment—and, theoretically, any disputes resolved.

While proponents of speedy processing strongly recommended the invoice come first to AP that never became an accepted practice across the board. Regardless of where the invoice went first, there tended to be a lot of finger pointing over who had the invoice, when it was approved, when it was returned, and how long it had been sitting on someone's desk, whether in purchasing or AP. The situation was definitely a recipe for disaster.

As you can imagine, the manual processes as described make it difficult to legitimately earn early payment discounts, those financial incentives offered by vendors to entice their customers to pay early. In fact, the desire to earn

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AP 101: Part 3 Invoice Handling

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these lucrative discounts is what finally convinced some organizations to have invoices submitted to accounts payable first. In this way, invoices eligible for early payment discounting were fast tracked for approval and payment.

While this manual approach is still used in many organizations for a good portion of the invoices submitted for payment, there have been some technological advances that have smoothed the process.

A Word about Faxed Invoices

In the days of paper-only-invoices, making a payment from a faxed invoice was a really poor practice often resulting in a duplicate payment. Therefore many firms had policies strictly forbidding paying from copies, be they faxed or otherwise.

As you will read elsewhere in this issue, this is no longer the case. Paying only from an original invoice these days doesn't offer the same control. The reason is that with electronic invoicing, there can be many original invoices.

Electronic Invoicing

You may also hear the terms electronic billing, e-billing, or e-invoicing to refer to invoices delivered electronically either via e-mail or some other Internet-based mechanism. The most common is a Web site where your organization can go to "pick up" your invoices from either one vendor or a group of vendors.

Many of these electronic invoicing products are developed by third parties and have great features built into them, features that eliminate some of the problems inherent in manual

paper processes.

When processed using e-mail, an audit trail is created showing when an invoice was sent. This effectively puts an end to the "I never got the invoice" game and proves when the invoice was returned approved for payment. The best of these models have an escalating approval feature designed to get invoices authorized for payment in a reasonable amount of time when the original approver is out of the office. It works equally as well should the original approver ignores the request for authorization.

Another great feature of some of the third-party systems is an online dispute resolution module, which allows communication with the vendor to resolve discrepancies quickly.

Self Scanning

With the price of scanning equipment becoming ever more affordable in recent years, quite a few organizations undertook to scan invoices themselves. They could then treat these like invoices received via e-mail and forward them for approval and processing similar to those received electronically. This allowed them to accrue many of the benefits of a full-blown electronic invoicing structure.

Others set up e-fax facilities effectively converting faxed invoices into an electronic document without the invoice ever seeing the light of paper.

Accounts Payable Now & Tomorrow believes this is the wave of the future and within a short period of time most firms will process invoices electronically, either receiving them that way originally or converting the paper invoices they receive to electronic documents. The benefits are simply too overwhelming not to take this route. **AP N&T**

Are Paper Invoices Going the Way of the Dinosaur?

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from an original invoice; that control simply doesn't work anymore. Not only that, but by refusing to accept faxed invoices, organizations are bypassing a great tool that will help them get invoices faster—and thus enable them to earn more early payment discounts.

Trend

Certain big organizations have made this issue part of their terms and conditions. "If you want to do business with us you have to agree to accept your invoice electronically," they insist. Expect to see more of this as time goes on.

With technology, there is no such thing as one *original* invoice. You can have as many originals as you like – and they all look great!

A growing number of organizations see the benefits, which we'll examine more closely in a minute, and now encourage invoices by e-mail and fax. And some actually prefer fax. No, you are not seeing things. The reason they prefer fax is that they direct the fax to an e-fax number that reads right into their imaging system

actually making their life a little easier.

Accounts Payable Now & Tomorrow expects this trend to pick up speed and within a few short years, paper invoices will be the rarity rather than the norm. If you haven't adjusted your processes to include receipt of invoices by both e-mail and fax, you might want to consider making the change. Without standard proc-

esses for these new delivery methodologies, you could run into trouble by way of increased duplicate payments and increased fraud risk.

Just when You Think You've Heard Everything

Quite a few organizations have been told that their vendors won't be sending paper invoices in the future. One company shared with us that they have had vendors take this one step further and tell them the vendor intended to charge for issuing paper invoices. We don't really expect this to become a popular tactic, although we do predict that a few of the 800-pound gorillas will use this approach to force acceptance by their smaller customers.

With the low cost of technology today, money should not stand in the way of any organization adopting the e-mail/fax invoice acceptance methodology. If for some reason, one of the approaches is not palatable, we've not seen any vendor insisting on all fax or all e-mail so there is really no reason not to join this revolution.

Benefits to the Fax/e-Mail Methodology

The advantages to the vendor are clear: no postage, paper, or printing costs. But, does the recipient benefit? Although the advantages to the customer are not as clear cut, they are considerable, nonetheless. Here's a partial list of why you should consider the e-mail/fax approach.

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Are Paper Invoices Going the Way of the Dinosaur?

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✦ No envelopes to open; better use of staff time.

✦ No invoices lost in the mail.

✦ No time delays.

✦ Easier to earn early payment discounts.

✦ Disputes/questions handled by replying to the original e-mail.

✦ Can upload e-faxed invoices

into system.

Drawbacks

Interestingly, we only found our readers reacting adversely in a few cases. Their objections were as follows:

✦ E-mail requires printing out invoices.

✦ Must ensure the fax tray has paper.

✦ Must ensure the invoice was

How Four Companies Gain Efficiency Using E-mail/Fax to Receive Invoices

- ◆ We started a new Shared Service Center in October 2006 to service all our divisions in North America. We have slowly brought on new divisions with the last one coming on board June 30, 2008. We have set up different company codes for each division to enable us to process invoices to the correct division. To aid us in processing, we have set up a different PO Box, e-mail address and fax number for vendors to send their invoices. This allows my staff to spend time processing the invoices instead of time sorting mail.
- ◆ We accept faxed invoices. Set up a separate fax line for these invoices so they do not get lost in all the other items that come in via fax. Implement a fax server directly into your imaging system, and request invoices come to you via fax. It will save the time of scanning into your system.
- ◆ When offered e-mail or faxed invoices, we requested e-mail for several reasons. We archive all of the invoices for a permanent record and also to have in case of lost invoices. All we have to do then is reprint and not bother having to call the company asking for a replacement. Since we share a fax machine with several other departments, faxes sometimes get lost or routed to a different department. Faxes also do not come through very clearly or they get cut off. Our main problem is trying to decipher the numbers. Is that a 6 or 3 or 8? This does not happen with an e-mail.
- ◆ Our company formerly had a long-standing policy against accepting faxed invoices, which still stands. However, our management recently agreed to accept e-mailed invoices. E-mailed invoices are easily received, and have the added benefit of being forwarded to other departments if required for approval. The reason for the acceptance of e-mailed invoices is primarily due to the unreliability of the mail as well as many vendors getting our address wrong. Not receiving invoices due to address issues has caused many a payment delay and protracted argument over unpaid liabilities

delivered to AP and not elsewhere in the case of a shared fax.

✦ Large volume vendors necessitate a lot of printing help.

✦ Illegible fax printing makes processing the invoice difficult.

While we can see the validity in these objections, we also think they can be overcome fairly easily.

What Accounts Payable Now & Tomorrow Recommends

How can you take advantage of this new methodology in an organized manner? It's not that hard. Here's what we suggest:

Set up a single e-mail address to be used exclusively for the receipt of invoices. Whoever is responsible for either processing the invoices that come into this address or forwarding them for approval should have the password, as should their backup and perhaps the department manager. The important thing is the e-mail account not belong to one person but several in case of absences etc.

Set up a dedicated fax number to be used in the accounts payable department for invoices only. Invoices can be retrieved throughout the day and integrated into the normal accounts payable workflow. Ideally, if the volume warrants, this fax machine should be a dedicated facility for invoices only. Even if the volume does not warrant it today, keep an eye on your fax volume as it might within the next few years.

Finally, with the low cost of phone lines today, having a dedicated fax line for invoices might be a good idea even if you only receive a few each day.

Set up an e-fax facility to receive faxed invoices into an e-mail account. This should eliminate the problem of illegible invoices—and at some point might relieve departments of the necessity of having a fax line where paper invoices are sent. After all, we're trying to get away from the paper.

Make sure your new e-mail address and fax number are included in all correspondence with vendors, especially your New Vendor Welcome kit.

Convert as many vendor invoices as possible to this approach for delivering invoices. The benefits are overwhelming. Make sure you have management approval before starting the process,

The accompanying table on page 6 shows how several companies are making the most out of these new methodologies. Paper invoices are fast becoming a thing of the past. Don't get left behind by ignoring the change—gear up for it. **AP N&T**

Subscriber Bonus

Editor's Note: We are creating an "Invoices in the Twenty-first Century" white paper. It will contain this article, along with several other articles and reader commentary.

Paid subscribers are entitled to a free copy of the report. It is an electronic document and can only be delivered by e-mail. If we do not have your e-mail address please send it to publisher@ap-now.com so we can deliver your copy of the white paper when it becomes available.

Consultants Corner: Documenting Electronic Signatures/ Approvals in a Paperless AP Department

How do you prove in today's electronic environment that you had the go ahead to pay on an invoice—especially if you're scanning them and e-mailing around for approval?

This issue was raised by one of our readers who noted that in the move away from paper the audit trail can get a bit faint unless some action is taken that ultimately results in producing yet more paper. And, that kind of defeats much of the productivity gains of scanning in the first place.

Original query: "Currently we are using our existing technology and scanning invoices into our system and e-mailing them for an 'OK to pay' to authorized managers. I raised the question and haven't really found anything on the importance of printing off the approval to pay vs. saving the e-mail to our hard drive and uploading it into our system—saving paper.

Are there any guidelines on keeping a hard copy with the invoice and is it really necessary to save this information?"

Solutions from Readers: We polled (electronically!) our readers. Here are a few useful responses.

1) "While we still maintain paper files for check payments, we also have electronic AP folders. Each folder has the vendor number and the vendor's name. When we re-

ceive any electronic information relating to a specific vendor we save it in its electronic folder. This includes approvals to pay."

2) "We accept electronic signatures with the following requirements:

- The invoice is scanned and e-mailed to the approver.
- The body of the e-mail must include verbiage about the attachment; for instance, 'Please approve the attached XYZ invoice 123 in the total amount of 100.00 for lawn service for the month of June.'
- Generic e-mails requesting approval without the details listed in the body of the e-mail are not accepted.
- The reply e-mail where the approver sent back 'approved' is printed and scanned as backup documentation with the invoice when it is keyed.

"Employees can also e-mail their Excel-format expense report to their supervisor along with scanned receipts for approval. They must include details about the expense report in the body of the e-mail.

Here's an example. The employee in question includes a note that says 'Please approve the attached expense report for week ending June 28 in the total amount of \$1,000.00.

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Three Often-Overlooked Areas Unclaimed Property Auditors Love to Look

Whether the dreaded day has come and unclaimed property auditors have announced their intention to audit your organization or—for once—you're trying to get ahead of the eight ball, it's a good idea to know where the auditors will head first. Where do they typically look for proof an organization is not in full compliance? Are there any areas that perhaps you haven't been giving the appropriate attention to—especially when it comes to documenting your transactions?

Background

Many organizations think they are in compliance with state unclaimed property laws because they regularly remit uncashed payroll checks on the appropriate due dates. They are then astounded when the state unclaimed property auditors show up and ask for records that have absolutely nothing to do with payroll.

Unclaimed property," notes Reid "is not an actual tax." It is, however, she says, a tax for sloppy business practices.

Still others regularly turn over inactive bank accounts, uncashed dividend checks, and the contents of inactive safe deposit boxes, believing they have done all they need to do.

Finally there is the group that regularly reverses all uncashed checks and takes those funds into miscellaneous income.

Organizations following those practices are in for a rude awak-

ening when the unclaimed property auditors arrive on your doorstep. While in some cases these organizations are partially complying with the law, they are nowhere near full compliance. There are other examples of sloppy or incomplete compliance but these samples should give you the general idea.

What Happens During an Audit

Speaking on a recent *Accounts Payable Now & Tomorrow* Webinar, Tracey Reid, president of Reid Unclaimed Property, detailed some of the records auditors will ask for when they arrive for an audit based on her experiences with audited clients. Among those frequently requested documents are your statements showing:

- ✦ Other income;
- ✦ Miscellaneous income; and
- ✦ Voided checks.

Next they will ask you for documentation for each of the transactions on these registers. For many this is the first clue they have that there may be a problem, especially if they have been reversing checks on their check register and writing the related income off to other income or miscellaneous income.

The key here is the backup documentation. For example, if you decide that ABC vendor did not cash a check because it was a duplicate payment and simply reverse the transaction, the auditor will not agree with your actions.

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Three Often-Overlooked Areas Unclaimed Property Auditors Love to Look

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You need to prove you voided the check for a good business reason and not simply because the check hadn't been cashed and you wanted to get it off your books.

Without this documentation the auditors will assume that you received property and the payment for it was never collected. As such they need to collect it. This holds true not only for your voided check register but also the entries on your GL for miscellaneous income and other income.

What Can You Do?

Document every single adjustment you make—and keep copies of that documentation. Without it you
[REDACTED] very well may have to

fork over the funds to the state. The good news—yes, there is some—is that you will be able to go through your records and find this documentation should the state audit you. Of course, if the audit is for five or ten years back, getting this documentation may be quite difficult if not impossible. By the way, this is what many of the unclaimed property consultants like Reid will do for you should you hire them. They often earn their fee many times over by reducing your exposure.

Moving forward make sure you get the appropriate documentation for every transaction reversed and every entry made to miscellaneous and/or other income. And in the case of voiding checks, this means noting the check number and other relevant information of the original payment.

Keep in mind that November 1 is the reporting date for a good portion of the states. So you still have time to get your documentation in order.

With unclaimed property it is definitely a case of guilty until proven innocent. "Unclaimed property," notes Reid "is not an actual tax." It is, however, she says, a tax for sloppy business practices.

By properly documenting your transactions you will provide your organization with the ammunition it needs should an unclaimed property auditor come gunning for you. And you'll improve internal controls and fraud protection at the same time! **AP N&T**

Upcoming Unclaimed Property Events

- ◆ October 7 webinar: Avoiding the 10 Most Common UP 'Gotchas' details ap-now.com/webinar.html
- ◆ September 26 seminar: UP Intensive Best Practice seminar in Los Angeles ap-now.com/UPseminar.html
- ◆ October 3 seminar: UP Intensive Best Practice seminar in Cincinnati <http://ap-now.com/UPseminar.html>

Unclaimed Property Products

- ◆ Unclaimed Property Policy and Procedures Manual
- ◆ Unclaimed Property Due Diligence Chart
- ◆ Unclaimed Property Toolkit
- ◆ Unclaimed Property CD: A Best Practice Approach
- ◆ Unclaimed Property CD: Getting in Compliance if You've Never Filed Before

<http://ap-now.com/unclaimedproperty.html>

Consultants Corner: Documenting Electronic Signatures/ Approvals in a Paperless AP Department

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| | |
|----------------|-----------------|
| Travel | \$900.00 |
| <u>M&E</u> | <u>\$100.00</u> |
| Total | \$1000.00' |

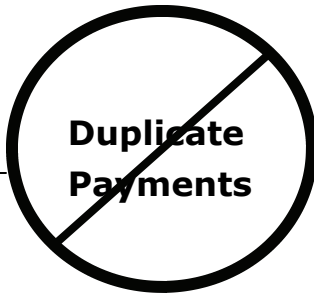
"The expense report and attachments are e-mailed to the supervisor and copied to AP (we have a generic e-mail that routes to all AP staff). The approver responds 'approved' to all, then the expense report and attachments are printed in AP and scanned into the system when keyed. Our auditors have said that they will accept e-mail approvals with these requirements in place."

3) "We currently scan invoices to various people in our organization who respond with a GL account number and an OK to pay. We simply print off the electronic authorization and attach it to the

invoice. We scan our accounts payable invoices after they are entered into our ERP system and scan the electronic approval along with the invoice. For those who do not scan, they can simply attach the approval and file that approval along with the invoice."

'Happy Trails to You'

As you can see from the solutions suggested by our readers there are a number of ways to address this emerging issue. The important concept included in all the solutions is that somehow, somewhere, there is an audit trail and the approval can be accessed if necessary. For without such an audit trail, internal controls go out the window and with that loss the prospect for fraud and duplicate payments raises its ugly head once again. **AP N&T**



Fabulous Fridays: Obliterate Duplicate Payments Webinars

- ◆ October 10: Preventing Duplicate Payments: A Best Practice Approach
- ◆ October 17: Using Excel to Find Duplicate Payments: A Step-by-Step Approach
- ◆ October 24: Getting the Most From A Duplicate Payment Audit Firm
- ◆ October 31: Finding Duplicate Payments Yourself: A 25-Step Low-Tech Guide

Cost: \$159 for each Webinar or CD; \$259 for both CD & Webinar; \$477 for all webinars or all CDs; \$777 for all webinars & CDs **Where:** Your office! **Time:** 2:00 p.m. EST

<http://ap-now.com/webinar/duplicatepayWebinars.html>

Please visit AP Now's Duplicate Payment Resource Center when it launches Oct. 1

A Really-Simple Solution to The Old 'Sloppy Invoice' Problem

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able organization charged with processing them extremely inefficient. And, in this case we are not talking about disputed invoices, those with a quantity or pricing discrepancy, we're talking about something much more basic. These are the invoices that arrive without the basic information needed to process them.

Many organizations refuse to allow these invoices to be returned to the vendor for correction. Instead, the staff is forced to try to decipher who ordered the goods, where the invoice should be sent for approval, what PO to match it against, and then there can be the battle over the missing TIN.

The problem is exacerbated in organizations with many offsite divisions—especially if accounts payable is not in the headquarters location where the invoices are often sent. In one extreme, but unfortunately not uncommon example we know of, the controller spends a portion of every day trying to figure out where each of the invoices piling up on her desk should be sent for approval. With numerous subsidiaries with similar names this seemingly simple task can turn into a colossal headache.

The Simple Solution

The answer is, of course, not to process these invoices but immediately send them back to the vendor. If this is done once or twice the vendor will correct its billing practices. Yet, many companies refuse to take this step. One organization that *has* adopted this approach is

the U.S. Food and Drug Administration (FDA). In fact, they have ten letters to address a variety of situations.

And it has worked wonders for them says Sue Farran, director of the FDA's Office of Financial Services. The FDA has paid its invoices over 98% on time for the past 16 months and has paid its vendors via EFT over 96% on time for the past six months, she reports. She is justifiably proud of her staff for achieving these outstanding results. Part of that credit has to go to the fact that they don't waste time on invoices that arrive without all the information needed to process them.

Farran shares two of the letters used by the FDA with us on page 13. The wording has been adjusted slightly for use on your letterhead for a missing information letter and a TIN/name mismatch letter. Simply add your company's name along with your contact information and you're ready to get started.

Beat the B-Notice

Any objections to the TIN/name mismatch letter can be answered by noting that the mismatch issue can be fixed either before the payment is made or later when the organization receives one of those dreadful B-Notice from the IRS. And, believe me, it's much easier to get the correct information without the B-Notice and the IRS hanging over your head. If this process has worked well for the FDA, why wouldn't it work for your organization? **AP N&T**

Sample FDA Letters Edit for Use in Your Organization

Missing Information Letter

Attention Accounts Receivable:

Your company's invoice that was submitted to [your organization's name] is being returned. We have found information missing from your invoice.

The required invoice information is missing from your invoice:

- ___ Invoice date and/or invoice number missing. *Please include the date of your invoice and/or your missing invoice number.*
- ___ Purchase order number missing and/or cannot be identified. *Please include your purchase order number.*
- ___ Required taxpayer identification number (TIN) missing. *Please include your taxpayer identification number.*

Please resubmit your corrected invoice along with a copy of this letter to the above address.

For any questions regarding this memo, please call [your organization's contact person, their phone number, and/or e-mail address].

Accounts Payable Department
Your Company Name

TIN/Name Mismatch letter

Attention Accounts Receivable:

Your company's invoice that was submitted to [your organization's name] is being returned for the following reason:

The name and taxpayer identification number (TIN) on your invoice does not match the name and TIN listed on your purchase order.

Please resubmit your corrected invoice along with a copy of this letter to the above address.

For any questions regarding this memo, please call [your organization's contact person, their phone number, and/or e-mail address].

Accounts Payable Department
Your Company Name

AP Tips, Tactics

- **Save on your telecom bills.** Speaking on a recent AP Now Webinar on telecom cost containment and fraud detection, Mark Evans, president of Bottaboom LLC, shared a tip for those looking to do their own recovery. He says that the biggest recoveries he makes when handling client accounts are due to differences between the contract signed by the organization and the telecom company and the actual bill.

If you've got the stomach for it, get out your telecom contract and compare it to the bill sent. Are the prices the same or by some strange coincidence are the prices higher? (You know the chances of them being lower are somewhere close to that proverbial cold day in hell.)

- **AP Now Declares October 'Obliterate Duplicate Payment Month!'** Recognizing that duplicate payments continue to plague almost all organizations at a time when few can afford this drain on their bottom line, *Accounts Payable Now & Tomorrow* is making solutions to the problem the centerpiece for its October events and publications. It has designated October as Obliterate Duplicate Payment Month.

As part of this project we'll be creating a Duplicate Payment Resources Center on our Web site. Managers can use this information to find firms offering products or services to help reduce and recover duplicate payments. We'll be posting a number of articles and book excerpts along with product information. The Center will be live from October 1 through December 31. Depending on your interest we will extend the project or perhaps change its focus.

Visit www.ap-now.com/duplicatepaymentresources.html and please share your impressions with our publisher at publisher@ap-now.com Your input is important.

- **No sales tax holiday this year in Florida?** As we go to press, there is still no announcement of the traditional "sales tax holiday" in the state of Florida at back to school time. This is just one more example of how the states are looking everywhere for revenues to bolster their shrinking coffers.

- **Housing and 1099s.** The Housing and Economic Recovery Act of 2008 signed by President Bush in the end of July has 1099 implications. Some measures were included in an attempt to identify unreported income and help the IRS close the tax gap as well as pay for the Housing Act.

Starting in 2011, the bank or other company that processes an organization's credit (and debit) card transactions must send the IRS a form disclosing the dollar amount of payments the organization received on those cards each year. A copy also goes to the organization. This form will be similar to the 1099 forms companies use to report other payments to the IRS.

Readers should note that this is not the card processors taking over their 1099 reporting responsibilities as discussed under the QPCA but rather a first step towards corporate reporting. We'll have more details about this change, the limitations, and what it could mean to you in the November issue.

- **Manage up for career success.** From time to time management experts ex-

& Strategies

pound on the necessity of managing up. In fact, some of the most successful executives are experts at this tactic—one that is not taught in school. So what exactly *is* managing up?

It's the practice of intentionally working with your boss to obtain the best possible results for you, your boss, and your organization. It often means putting your boss's goals ahead of your own. But by effectively "managing up" you'll forge an effective relationship that ultimately results in your own success.

But it isn't just about making sure your boss's goals are met. Any manager who knows what his or her superior's goals are will find a way to mesh their own goals with those of their boss. Assuming a goal that is not on the boss's list — like, say the elimination of rush checks, the savvy manager will find a way to reposition their goal with the boss's.

For example, if the boss's goal is to streamline the accounts payable processing, advocate for the elimination of non-routine tasks that do not add value. Do not even mention rush checks. Then when you have concurrence on the goal of eliminating non-routine, non-value added tasks, bring up rush checks on a list with three other items no one cares about.

• **New Payment World Book Excerpt: Why Not Stick with Checks?** The book is a blueprint for getting as many payments as possible away from being issued as paper checks. Here's a short excerpt from the chapter on setting up an integrated approach.

By now you may be thinking "This is too complicated. We'll just stay with checks for payments." All invoices and payments are not created equal. One of the goals of a well-run payment program is to focus attention appropriately. This means that more attention gets focused on higher-dollar items. You can achieve this by finding ways to process low-dollar items efficiently without opening the door to fraud and duplicate payments. That's where p-cards come in.

Another goal for many organizations is to keep costs down. This translates into controls on headcounts. For many companies, the move to one of the payment alternatives came as a result of mandatory headcount reductions. When required to reduce staff, companies look for ways to handle the same work with fewer people. That's why many adopted both p-cards and automated clearing house (ACH) payments.

And finally, there are those people who look ahead and realize that they can either drive the change in their organization or they can wait for that change to drive them. The shrewd ones decide to get into the driver's seat

• **Please celebrate AP week with us.** Check out our weekly e-zine (signup at <http://ap-now.com/ezinesignup.html>) for details on how Accounts Payable Now & Tomorrow plans to honor the hard-working professionals in accounts payable during Accounts Payable Appreciation week, the week of October 20. We typically have some free offerings that are both educational and fun and offer a low-cost Webinar. We've got a few ideas on the table and expect to select one by the middle of September. **APN&T**

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***The newsletter for
professionals concerned
about payment issues***



Upcoming Webinar Schedule

Sept. 22: **B-Notices: A Best Practice Approach**

Oct. 7: **Avoiding the 10 Most Common Un-claimed Property 'Gotchas'**

Oct. 16 **Independent Contractor or Employee?**

Cost: \$159 for each event or CD; \$259 for both

To register online: ap-now.com/webinar.html

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NASBA CPEs available for ALL events—including
UP seminars shown below! Check our webinar
page frequently for new events—including our
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