Accounts Payable Steps

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| **Accounts Payables (Bill.com) and Expense Recognition (Job/Class Costing) (Construction Contractors)** | Prepared by & Date | Reviewed by & Date |
| 1. Record outstanding bills in bill.com:
	1. Login to bill.com and check the inbox for outstanding bills
	2. Code/record the outstanding bills
	3. Pay particular attention to “class” or “job” coding if appropriate per management’s policies and procedures
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| 1. Sync Bill.com
	1. If Sync Errors arise, resolve errors per standard operating procedures
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| 1. Review the AP aging schedule:
	1. Make sure AP reflects the actual bills owed by the Company
	2. Investigate old AP and determine if it is still valid (potentially delete if the bill has been previously paid or is invalid)
	3. Make sure AP that has been paid is no longer showing as outstanding (pay attention to:)
		1. Bills paid through a credit card, online banking, etc.
		2. Bills paid via check outside of the system
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| 1. Review Job Costing. Make sure appropriate accounts have jobs assigned to them (Direct Materials, Direct Labor, Subcontractors, Overhead)
	1. Run the “Expenses Not Assigned to Jobs” (under “Industry Specific” and “Contractors” reports)
		1. Review COGS accounts and assign job numbers
	2. Run “Profit and Loss by Job” (Under “Company and Financial”)
		1. Remove job numbers from SGA (Selling, General, and Administrative) GL accounts
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| 1. Review Class assignment Costs
	1. Run “Profit and Loss by Class” (Under “Company and Financial”)
		1. Reclassify appropriate costs to corresponding Classes
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| 1. Send the client an email with AP Aging and questions.
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***Accounts Payable Canned Response:***

Dear <Client>,

Please review the attached Accounts Payable List as of <MM/DD/YY>.

You should look at a few very specific items:

* ***Missing vendors to whom you owe but are not on the report.***
	+ Keep in mind if the vendor invoices you after the list date.they would not be on the report. This is normal).
* ***Vendors who are on the aging report, but you have paid the vendor as of the report date***.
	+ This indicates the payments were not applied to the vendor invoice (possible duplicate expense in the accounting system if the payment was recorded).
	+ However, please remember if you paid AFTER the report date, the vendor invoice would still be outstanding.
* ***Vendors with AP that has been outstanding greater than 90 days***.
	+ Has the vendor been paid but the payment was not correctly applied to the vendor invoice?
	+ If the vendor has not been paid, is the payable still outstanding?
* ***Review ALL payables to ensure correct accrual of the vendor invoice. You should review the amount, the date invoiced, etc.***

Please reach out to us if you see any discrepancies.

We have attached a copy of the A/P aging report in excel. Discrepancies are highlighted for your review (if any).