

Accounts Payable Cheat Sheet



AP Accounting

Debit where you want the money to be charged to

AP Invoice

Debit - Expense Account

Credit - Liability Account

Ex: **Recording a bill for office cleaning staff**

Debit - Contracted Services

Credit - AP Liability

AP Payment

Debit - AP Liab

Credit - Cash

Invoice Adjustment

Debit – Correct Expense Account

Credit – Incorrect/Original Expense Account

Vendor Security & Fraud

Verify vendor information by confirming the source. The most secure way to confirm the source is by phone. Find a verified phone number by verifying the same number from TWO sources that match. Locations to find a verified phone number include the vendor website, invoice, contract, email signature, statement and internal contact who hired the vendor.

Payment Methods

ACH/EFT - Direct Deposit

Checks - Paper checks printed in the AP office or by your payment service provider

Inhouse Checks - Checks printed in your AP office

Outsource Checks - Checks printed by a third-party (your bank usually) and mailed for you

Manual Check - Usually, this refers to a check written outside of the system, probably hand written from a physical check book.

Wire - Rare and costly method of payment. ACH bank account/routing number may the same or different for the recipient you are paying. Ask for the specific "wire instructions" before initiating wire.

Credit Card - Business card, company card, procurement card (p-card)

Virtual Card - No physical card, a card # that is assigned to an individual vendor. Funds are loaded to that card at the time of payment, and no other vendor uses that card number.



Terminology

Vendor/Supplier - Who we are paying.

Customers - AP customers include vendors and department users. Basically, anyone who needs your help to get something paid.

Invoice/Bill - Document we are paying from.

Procurement - Essentially the same as purchasing.

Requisition - An internal document and process to *request* your organization to approve a future purchase. A requisition turns into a PO once approved by managers and the purchasing department.

Purchase Order (PO) - This document confirms that company funds are being reserved for a

specific purchase. A PO number will typically be used on invoices, as part of the 3-way match, to show that a purchase was previously approved.

Receipt/Receive on a PO - Internal process of confirming the goods were received or services completed and payment can be made. Usually, the person who created the requisition and PO will be the same person verifying the goods/services and processing the PO receipt.

3-Way Match - Invoice, PO, Receipt

TIN/EIN - Vendor tax identification number, Employer identification number. It's like a social security number for businesses.



3-Way Match | Fingerprint Analysis

Overall, the information on the **Invoice** must match

- The **PO#**
- The supplier name on the **PO**
- The amount listed on the **PO**, or within the **PO** total
- The **receipt** PO#
- The supplier name on the **receipt**
- The **receipt** amount

Emergency AP Hotline:



Email [Hello@BloomstudyPayments.com](mailto>Hello@BloomstudyPayments.com)

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