

Setting Up Accounts Payable Workflows In Your Office

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MANAGEMENT
INSTITUTE
HELPING PEDIATRICIANS SUCCEED

Agenda

- Purpose of Accounts Payable Process
- Internal Controls
- Workflows
- Top 3 Concerns
- Best Practices

- Along the way:
 - Complimentary resources on the PMI website
 - Upcoming events
 - Tips, Tools, and Resources available from PMI to help you

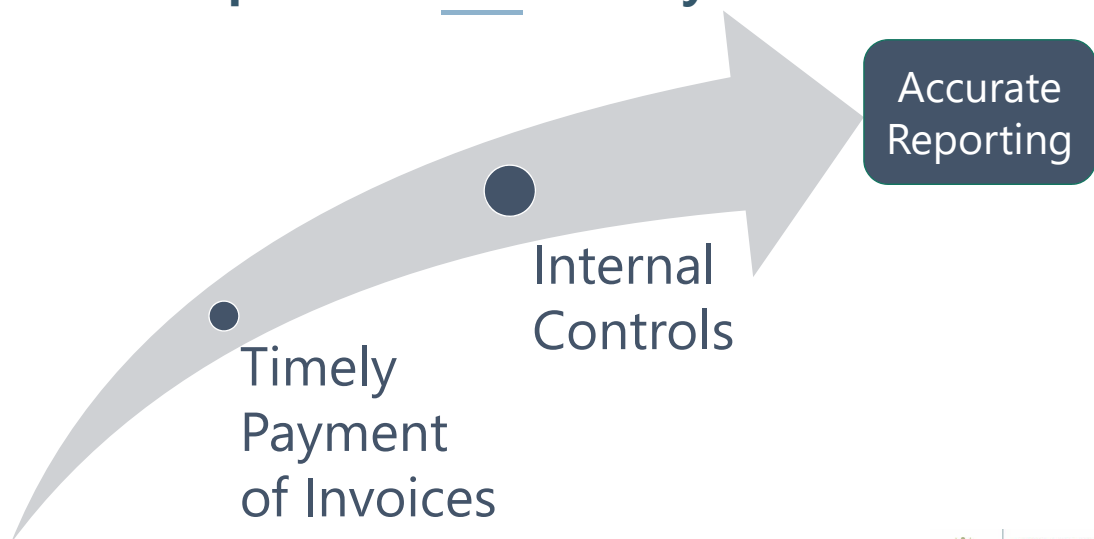
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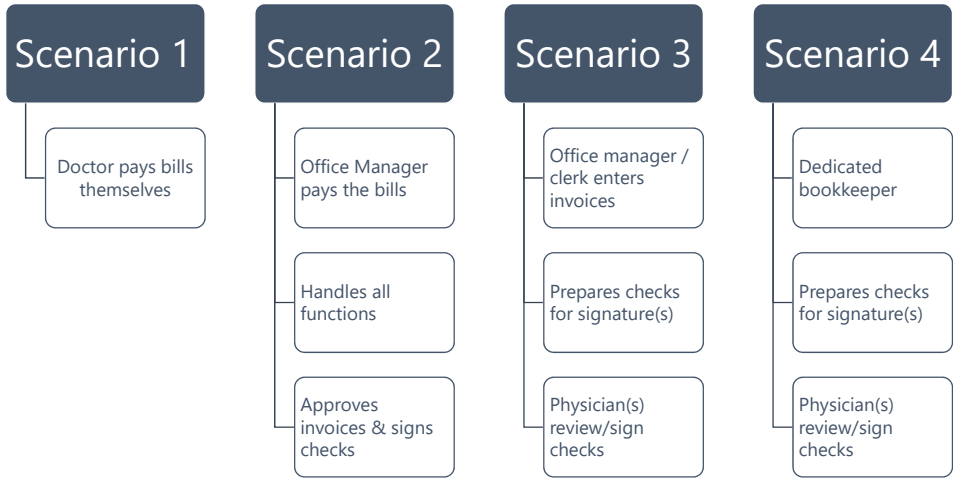
Purpose of Today...

- Today explore what options are out there to help you think about your current processes
 - Every practice is unique
 - Logistical concerns for everyone

Purpose of Accounts Payable



Who Are You?



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Internal Controls

The Fraud Triangle:

A framework for spotting high-risk fraud situations



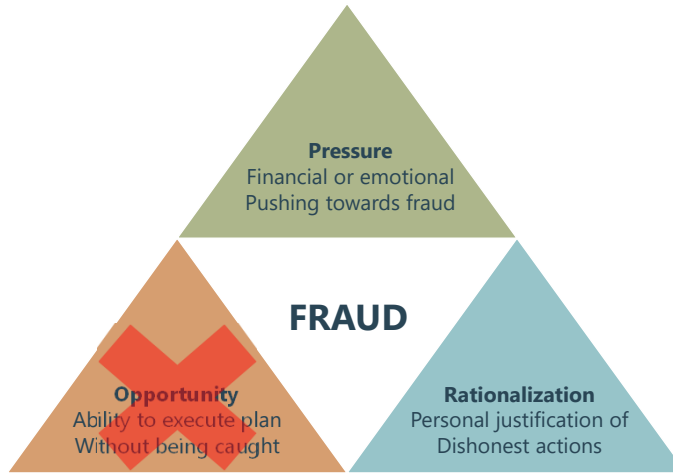
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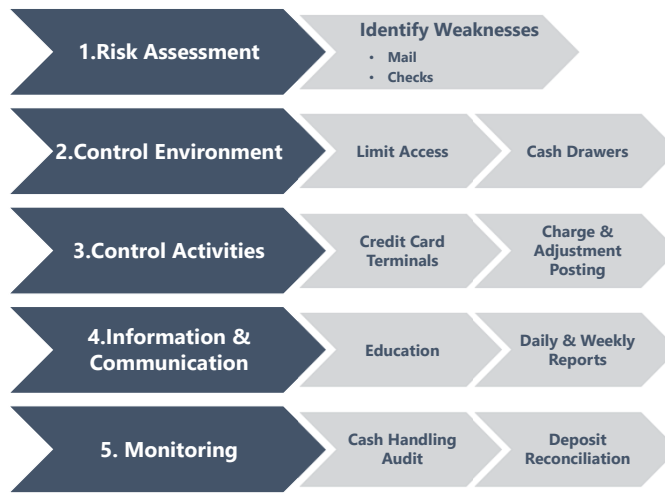
Internal Controls

The Fraud Triangle:

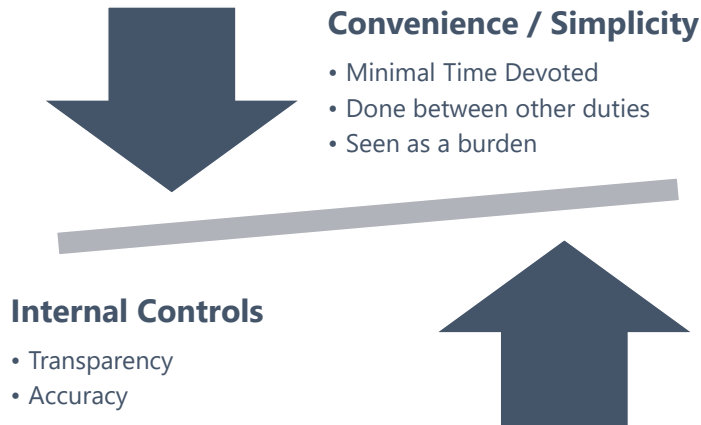
A framework for spotting high-risk fraud situations



Internal Controls Are Necessary...



Usual Workflow



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PMI 2020...In Miami

- Bigger Venue
 - Ballroom increased 8,000 to 12,000+ square feet
 - Twice the speakers
- Two full days...No pre-conference tracks
- Cost less than this year
 - \$799 versus \$878 (\$699 + \$179)

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PEDIATRIC MANAGEMENT INSTITUTE
PEDIATRIC PRACTICE MANAGEMENT CONFERENCE

January 24 & 25, 2020
Miami Downtown Hilton

20+ Hours of CME Available*

Topics: Marketing, Finance, Coding, Managed Care Issues

NEW FOR 2020

- One price for the entire two days!
- Three breakout sessions to dive deeper into topics important to you
- Registration fee includes all two lunches, one breakfast, four breaks and two cocktail parties.

REGISTRATION FEE

- Same price as 2019 with twice the speakers!
- Register before March 30, 2019: \$799
- Register before October 31, 2019: \$849
- Register after October 31, 2019: \$899

CONFERENCE OVERVIEW

This conference is designed to provide participants with a better understanding of the nuances of operating a Pediatric Medical Practice. Through lectures, case studies, and discussion, attendees will gain the knowledge necessary to ensure a successful pediatric practice.

PRACTICE STARTUP BOOTCAMP

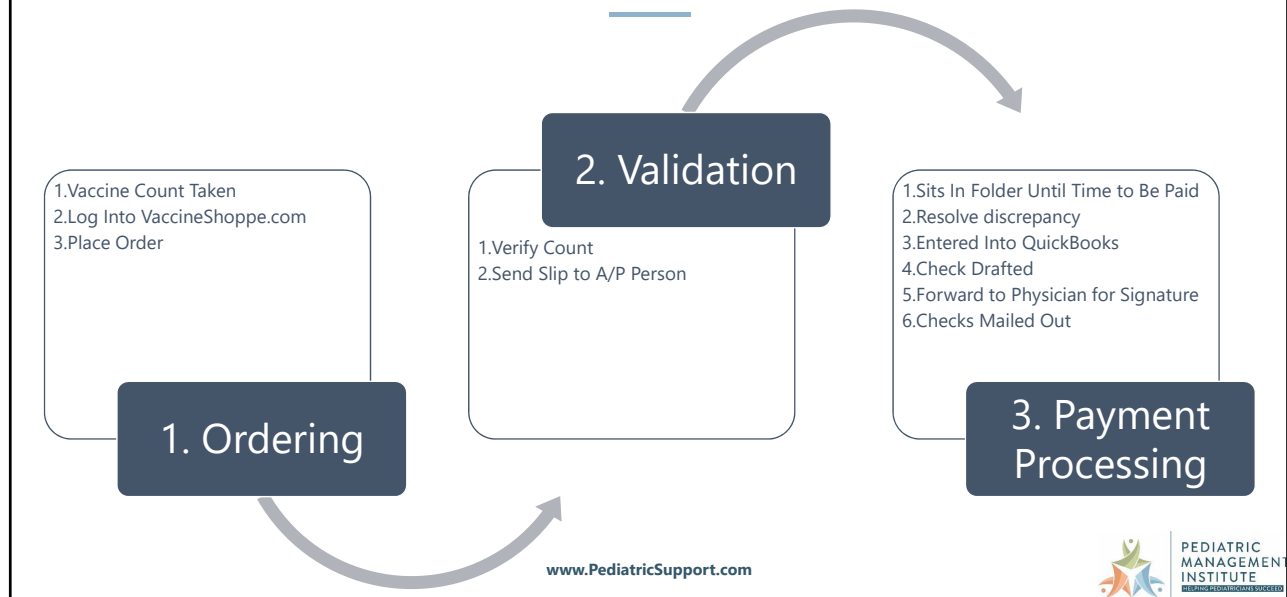
Interested in starting your own practice? Now you can learn from industry experts everything you need to know about starting your own practice! Our new Boot Camp from PediatricStartUp.com gets you started the RIGHT way!

WHO SHOULD ATTEND

Pediatricians, Office Managers, Administrators, CFO, CIO, Revenue Cycle Managers, Decision Support Managers, Financial Leaders, IT Vendors, and Clinical Managers

For more information, visit: <http://www.PediatricSupport.com>

Usual Workflow



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What's Missing?!?

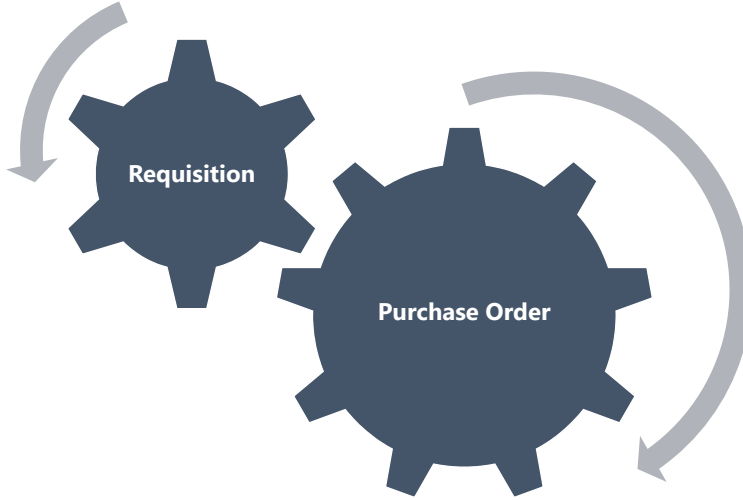
- Appropriate Internal Controls Require
 - Requisitions
 - Purchase Orders
 - Levels of Authority
- Expense Authorization
 - Appetite for Risk
 - Weigh past issues with likelihood of problems in the future

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Requisition vs. Purchase Order (PO)

- Request for someone to purchase something



- Formal agreement with vendor
- Avoids duplicate orders
- Avoids surprises
 - Quantity
 - Price
- Track Incoming Orders
- Reduces reactive work

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Comprehensive Workflow

1. Need Determined

- 1.Vaccine Count Taken



2. Requisition

- 1.Created
- 2.Approved



3. P.O. Generated

- 1.Contact Vendor
- 2.Track PO Number & Details



4. Order Placed

- 1.Log Into VaccineShoppe.com
- 2.Place Order



5. Validation

- 1.Verify Count
- 2.Send Slip to A/P Person



6. Payment Processing

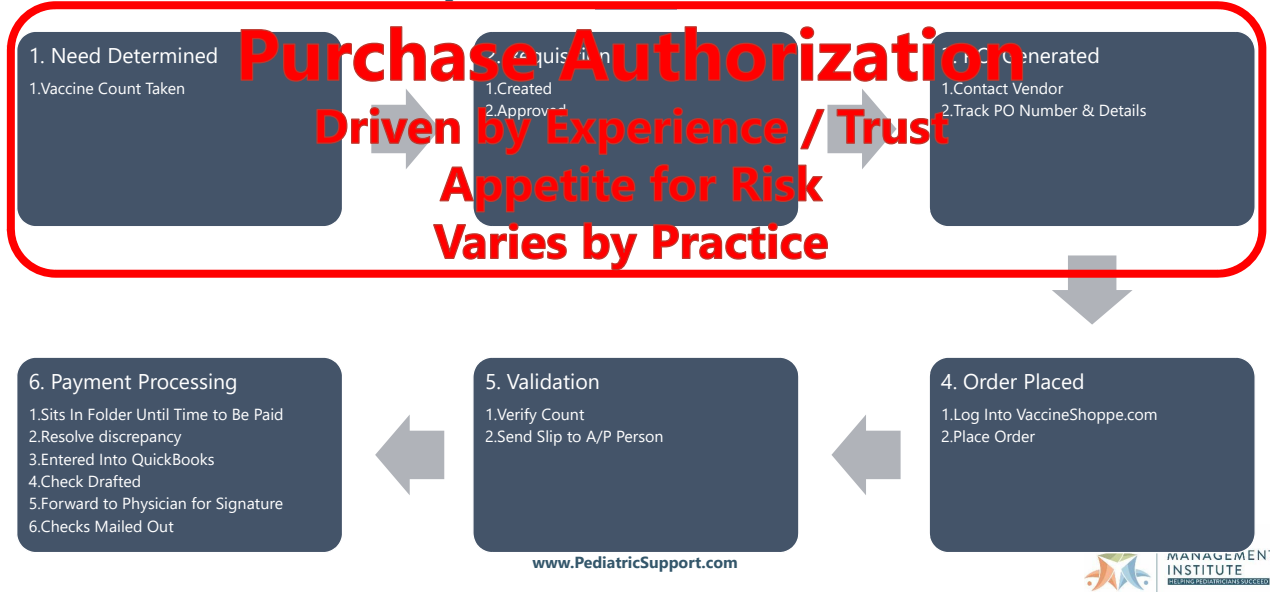
- 1.Enter Invoice Into A/P System With Due Date
- 2.Resolve discrepancy
- 3.Check Drafted
- 4.Forward to Physician for Signature
- 5.Checks Mailed Out

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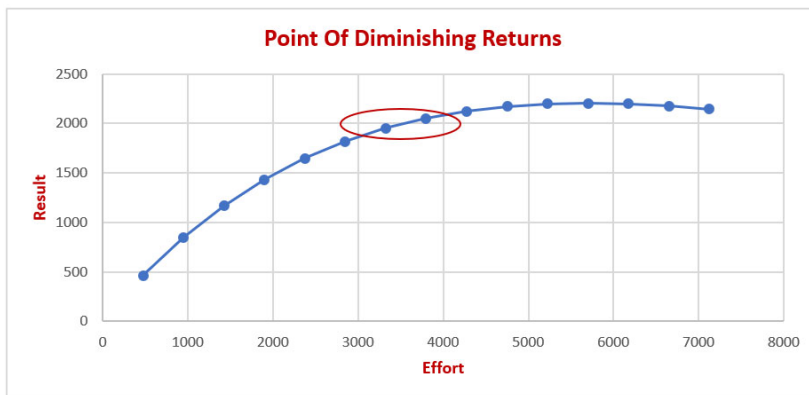
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Comprehensive Workflow



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Balance Effort With Results...

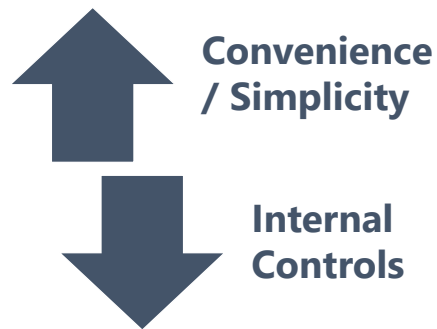


Progressively smaller increase in results as one increases the time/energy addressing an issue.

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Concern #1...Autopayments

- Credit Cards
- Very convenient but an Internal Control nightmare
- Button it Up....



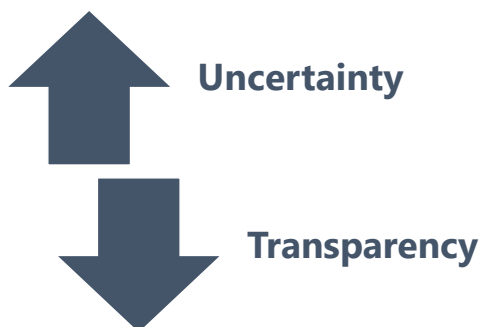
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Concern #2...Stacking Invoices

- Pile up invoices in folder
- Enter invoices and pay at the same time

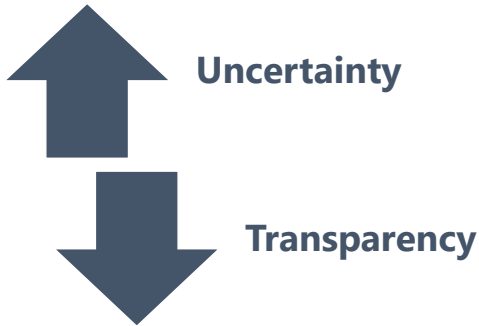


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Concern #2...Stacking Invoices



- Pile up invoices in folder
- Enter invoices and pay at the same time
- Need to enter invoices as they arrive and set due dates
- Provides better understanding of cashflow needs over time

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Concern #3...The Approval Process

SAMPLE CREDIT CARD STATEMENT Account Number

Make check payable to:
My Credit Card
P. O. Box 4567
Anywhere, CA 91111

Return top portion with payment

Reference Number	Posting Date	Description of Transaction	Deb
0077623	0608	ABC Stores Unlimited	108.20
0317886	0608	Autoplay Cable Network	58.00
7075061	0610	Let's Go Car Rental	159.72
4871311	0610	Sleep Nice Motel	128.00
5887041	0622	AAA Airlines	109.32
9283742	0630	payment - thank you	

Previous Balance: 839.62 | - Payments: 40.00 | + New Charges: 563.24 | + Finance Charge: 17.04

Average Daily Balance: 1011.00

JOHN SMITH
123 YOUR STREET
ANYTOWN, USA 12345

March 13, 2018
Date

Pay to the Order of Jane Doe \$ 100.00

One hundred and 00/100 Dollars

For John Smith

322276551076 000000 01

- Person signing the check needs to see all supporting documentation
- Have time to review

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Concern #4...Rates & Timeliness

- You need a good accountant and a better bookkeeper!
- Don't pay accountant rates for bookkeeping services.
- You should have expense report by 5th day of the month...otherwise you are flying blind...for every day that goes by, you may have 100 encounters....
- What is the best use of a dollar!?!?

Accountants are qualified to handle the entire accounting process, while bookkeepers are qualified to handle recording financial transactions. To ensure accuracy, accountants often serve as advisers for bookkeepers and review their work.

Bookkeepers record and classify financial transactions, laying the groundwork for others to analyze the financial data.

PMI Tip: Find a "stay at home" parent who wants to work a few hours per week...

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PMI Videos



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Automation Is Key...



- Emailed Bills
- Paper Invoices
- Auto Payments

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Automation Is Key...



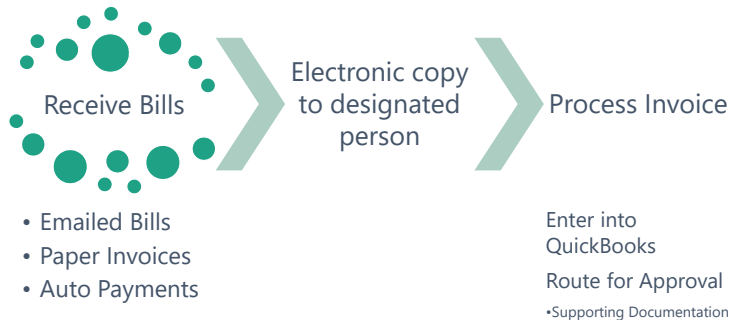
Electronic copy
to designated
person

- Emailed Bills
- Paper Invoices
- Auto Payments

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Automation Is Key...

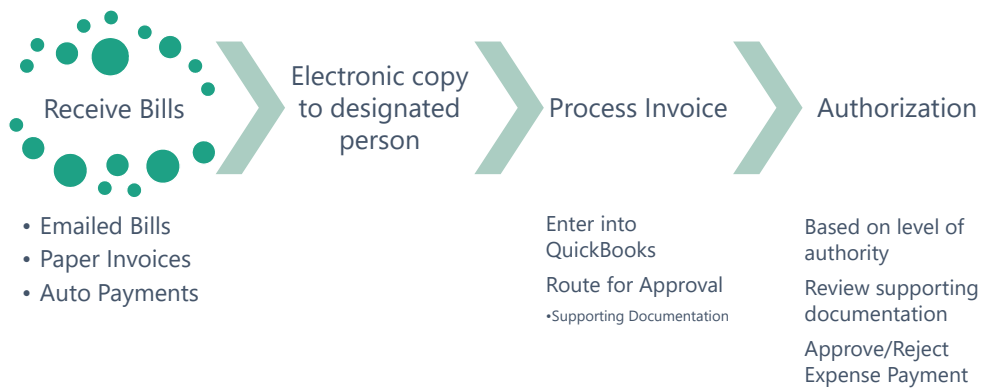


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Automation Is Key...



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Best Practices



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debbie@claritybookkeepingsolutions.com

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Options to Consider

1. Status Quo
 - Depending on practice profile
2. Review
 - External review of process
3. Outsource Options
 - Clarity Bookkeeping Solutions