



Automating Home-Based Accounts Payable During COVID-19

Automated accounts payable offers companies long-term benefits that extend to past the pandemic.

*By Mark Henricks
June 12, 2020*

A few months ago, many companies were content with the analog approach to accounts payable (AP), having employees send paper invoices, manually process payments and deliver paper checks through the mail. However, as lockdowns forced businesses to migrate [AP functions](#) to employees' homes, some businesses decided to automate AP services, discovering an additional suite of benefits that is likely to carry over even as more and more states emerge from lockdown and business begins in the next normal.

In addition to enabling employees to execute AP functions from virtually anywhere, automated AP can generate cost savings, faster turnaround, and improved accuracy in payment reporting. As more and more organizations look for ways to drive efficiencies and modernize, businesses that have yet to automate their AP services may want to consider doing so.

Automated Accounts Payable

For remote workers, the technological requirements for implementing modern automated accounts payable solutions are minimal. Virtually any [desktop, laptop or tablet](#) can be used by off-site employees to run the required software, most of which is cloud based. Some can be used with smartphones.

The main switch is to electronic payments — paper payments have become much less common.

“More and more businesses today don’t cut checks,” says James Cassel, co-founder of Miami-based investment banking firm [Cassel Salpeter](#). “They’re paying with electronic transfer.”

In addition to businesses increasingly settling with vendors through automated clearinghouse (ACH) transfers and instant payment systems, card payments are also growing. In ordinary times, vendors like card payments because they receive payment instantly.

Today, many vendors simply don’t want paper checks at all. One reason is that no one is in their offices to receive them or visiting bank lockboxes to pick them up. As a result, there is little demand or need for employees to set up blank checks and check printers at home.

Businesses that are reluctant to abandon paper checks can instruct their banks to mail checks for them. The same goes for paper invoices. Businesses can ask vendors to email PDF-format copies or scanned images of printed documents. Smartphones can take photos of documents for the same purpose.

How to Start Automating Accounts Payable

Getting started with [automated accounts payable](#) starts with analyzing the payables workflow. Businesses can begin by tracking how invoices are currently being received and processed and who approves and initiates payments.

Part of this process is to set up the workflow that will be implemented in the automated solution. The workflow will describe a set of actions and a path that invoices and payments must follow from receipt to payment.

Next, the automated accounts payable software can be connected to the business’s existing accounting software. Accounts payable software can connect to many popular business accounting packages. This way, [vendors are paid automatically](#) on the due date and the payment information will flow instantly, automatically and directly to the accounting software.

That said, automated accounts payable solutions aren’t the only way to go. Accounting software can be configured to make automatic payments, and bank accounts can be set up to send repeating payments.

Ideally, whatever method is used will have the flexibility to stop or delay payments when needed. Flexibility can be especially important during a broad-scale [business interruption](#) like the one being experienced now.

Managing AP Automation

Managing accounts payable remotely can raise some issues, as well. For instance, businesses need to make sure payments leave an audit trail and that policies and practices conform to compliance requirements, Cassel says.

Alistair Bambridge, CEO of New York-based [Bambridge Accountants](#), says maintaining communication between the various points in the payables chain may be challenging [when people aren't working in the same physical space](#). Bambridge says his firm and his firm's clients are turning to videoconferencing and messaging apps to stay in touch with team members.

Another consideration should be identifying an accounts payables solution with a view to the long game. That means one with integrated communication as well as tools for compliance and appropriate sign-offs. When employees are distributed, they can't step into one another's office to discuss a payment, for instance.

Those types of solutions are already available. Synaptic AP, for example, is a cloud-based solution that is compatible with Salesforce and other ERPs. Synaptic AP clients can automate supplier payments via virtual card payments, automated reconciliation, and flexible payment options.

Ultimately, having employees remotely handle accounts payables is a technological and process challenge most businesses can handle. And no matter how businesses solve the accounts payable puzzle during the current crisis, it's likely to have a lasting and ultimately positive impact.