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succeed today and prepare for tomorrow

A Two-Minute Quiz to See if Your Check Request Form Process Causes More Problems than it Solves

Many organizations use check request forms to handle those miscellaneous payment needs that don't fall into the normal scope of invoice handling. Often the requirements for a check request are not clearly defined. Typically they are used to handle one-time payments or ongoing required payments, sometimes referred to as recurring payments. Some companies even use them to rush a payment through when the original invoice is lost. Others use them when there is no invoice. Sometimes they are employed for one-time vendors. And, at other times— well, you get the picture. Are your check request forms causing problems too? We talked about this with Pinpoint Profit's Bob Lovallo and he identified the issues for this quiz.

The Quiz

✓ Do you allow multiple payee payments on one payment request form? Yes No

Potential Issue: Tracking for duplicate payment purposes, GL coding, and possible fraud becomes difficult, if not impossible.

✓ Do you allow internal company payment requests to be submitted without a specific supplier invoice reference number? Yes No

Potential Issue: Duplicate payment checking routines may not work.

✓ Do you allow your processors to use their own unique descriptions or abbreviations when coding these payments? Yes No

Potential Issue: Matching becomes difficult, if not impossible.

✓ Do you use the check or payment request date as the invoice number for these items when no invoice number exists? Yes No

Potential Issue: Numerous payments to different vendors will show up any time you try to research an invoice number. Additionally, if the vendor bills you frequently, such as an overnight mail carrier, you could end up with several payments to the same vendor with the same invoice number.

✓ If you do use the check date as the invoice number, a practice that is already setting you up for trouble, (oops, I'm giving the answers away), does your process refuse to accept slashes, periods, hyphens, or any other sort of mark that is not a numeric? Yes No



Bob Lovallo is President of Pinpoint Profit Recovery

Services. He has spent over eight years successfully managing AP recovery audits of all sizes. Prior to establishing Pinpoint, Bob's 30 year career in Fortune 500 environments spanned controllership and management positions in areas of internal audit, payables, financial systems, finance and accounting.

Corrective Actions

Lovallo offers some tips on avoiding the issues discussed above. Specifically, he recommends:

- 1) AP should work with payment requestors to adopt invoice field coding that prevent duplicate payments. The coding standards for check requests should match those used for normal invoice processing.
- 2) Where the volume warrants, get creative and adopt effective internal coding standards. These should be the same across all payment vehicles.
- 3) Establish a policy that requires original check request forms be submitted—no copies or faxes.
- 4) All documentation attached to check request forms should be original and should be marked in a manner so it can not be reused with another request.

He also notes that as in all AP processes and routines, detailed procedures should be developed in concert with the entire corporate disbursement policy.

Coding Standards

Remember, there is no one coding standard better than all others. Much will depend upon your industry and your company's own unique requirements. The important point is that you have one and that it adequately addresses all the issues that can arise if care isn't taken with how check requests forms are coded.

Now some reading this may think we are making a big deal out of a small matter. Lovallo does not agree. He notes that spending sufficient time and effort in trying to prevent duplicate payments will result in less time and effort trying to detect and recover them later on. **AP N&T**

Pinpoint Profit Recovery Services

provides professional recovery audit services to large and medium size companies. Pinpoint will quickly identify hidden profits and recommend business process improvements to increase efficiency and profitability. The company will conduct a comprehensive review of your disbursement transactions and troubleshoot for any inaccuracies. Contact Bob Lovallo

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