

Trade Finance in Ten Podcast: Episode 7 Summary

Strategic Accounts Payable Management

1. Why Today's Topic Is Important

Accounts payable isn't just about paying bills—it's a complete system that affects your cash flow, vendor relationships, and fraud exposure. Without clear processes for receipt and bill capture, purchase approvals, and payment timing, money leaks out of your business in ways you don't see. A disciplined AP system protects your cash, builds vendor trust, and gives you control over when and how money leaves your account.

2. Key Takeaways

- Fuel cards consolidate purchases, reduce theft risk when properly controlled, and provide mileage data
- Anyone carrying a company credit card should sign an agreement covering authorized use, receipt requirements, and consequences for misuse
- Every receipt should be submitted within 24 hours, with documented follow-up when exceptions occur
    - Set up a dedicated AP email (like ap@yourcompany.com) and have all vendor order confirmations and invoices sent there
    - Set credit card alerts to email your AP person a notification for every purchase
    - Set up non-COD vendors to email your AP email a copy of the invoice each time a purchase is made
    - Match each email notification to a submitted receipt from tech with a job number within 24 hours, or follow up with tech
- Separation of duties: Whoever approves bills should not release payments or set up vendors. Review your vendor list regularly for unauthorized or duplicate vendors.
- DPO (Days Payable Outstanding): Negotiate reasonable payment terms that align with your cash cycle. Credit cards can extend payment timing when used intentionally and paid in full. Never carry a balance. Always pay vendors according to agreed terms.
- Require second approval on large or specialty orders: consider if customer deposit is needed, and have someone technically confirm the part is correct. Ask vendors for extra time to pay on large pieces of equipment or big jobs.
- If cash gets tight, call your vendor—don't go silent. Communication preserves relationships.
- Regularly review your AP Aging with your AP team, and work together to make a plan

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3. Action Steps to Consider

- ☐ Review your AP Aging Reports and go ask questions about anything that looks off
- ☐ Clean up AP reports and reconcile them to vendor statements, investigating material differences
- ☐ Set up a dedicated AP email address
- ☐ Implement a 24-hour receipt submission policy with documented follow-up for exceptions
- ☐ Consider getting a fleet fuel card
- ☐ Create company credit card, fuel card and vendor charge account agreements with your techs
- ☐ Set up $0.01 plus transaction alerts for credit cards, and make sure vendors are sending over invoices as they are created
- ☐ Create SOPs, weekly meeting schedules, approval/down-payment processes, and other KPIs and expectations for your AP team

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