Accounts Payable Job Description and Duties



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The accounts payable department plays an important role in your business, reviewing and approving vendor and supplier invoices, managing purchase orders, and making sure that the invoices are paid accurately and on time.

But in recent years, the accounts payable department has become even more important to businesses, serving as an one of the core components of the financial

management process.

Proper management of accounts payable results in better cash flow, thriving relationships with vendors and suppliers, and effective expense management.

The accounts payable department is also a key component for regulatory compliance including tax compliance and contract management.

What Are the Responsibilities of Accounts Payable?

In its simplest form, the accounts payable department is tasked with reviewing, analyzing, and paying vendor and supplier invoices.

How these tasks are completed varies widely from business to business, with some businesses choosing to process and pay invoices manually while others have implemented the latest technology to automate the entire accounts payable process.

Regardless of whether your business is processing AP manually, using an accounting software application, or utilizing the latest technology, every accounts payable department is responsible for completing the following tasks:

What Are the Responsibilities of Accounts Payable



- Review and verification of invoices received including three-way matching of invoices, purchase orders, and shipping receipts
- Investigating any invoice discrepancies thoroughly
- Coding vendor invoices for entry
- Entering invoices in the system for payment
- Reviewing AP reports for payments due
- Approving vendor and supplier invoices for payment
- Processing payments such as checks or ACH transfers
- Management of vendor and supplier credits
- Reconciling accounts payable balances to match general ledger balances
- Vendor account management including vendor and supplier correspondence
- AP report processing throughout the month and at month-end
- Filing paid invoices in the correct vendor file

If your business is using accounting software or an automated AP application, many of the tasks listed above are partially or completely automated.

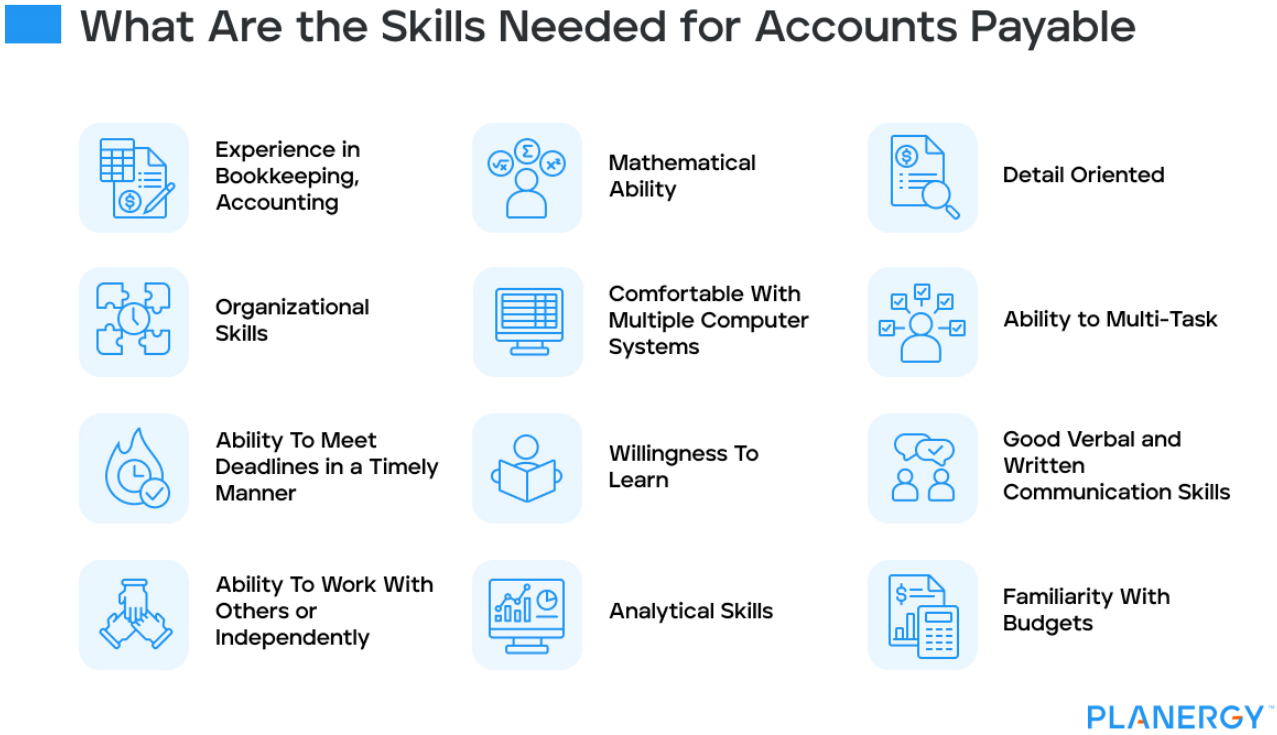
Accounts Payable Clerk vs. Accounts Payable Specialist: Are They the Same?

In many cases, the term ‘accounts payable clerk’ is used interchangeably with ‘accounts payable specialist,’ but for larger AP departments they represent two different positions.

Depending on the size and structure of your accounts payable department, you may employ both an accounts payable clerk that handles routine clerical tasks in the department as well as an accounts payable specialist, that is trained to handle more complex tasks and make more management-level decisions.

What Are the Skills Needed for Accounts Payable?

While the level of experience needed for accounts payable varies from position to position within the accounting department, regardless of job title, most organizations look for job seekers that have the following skills:



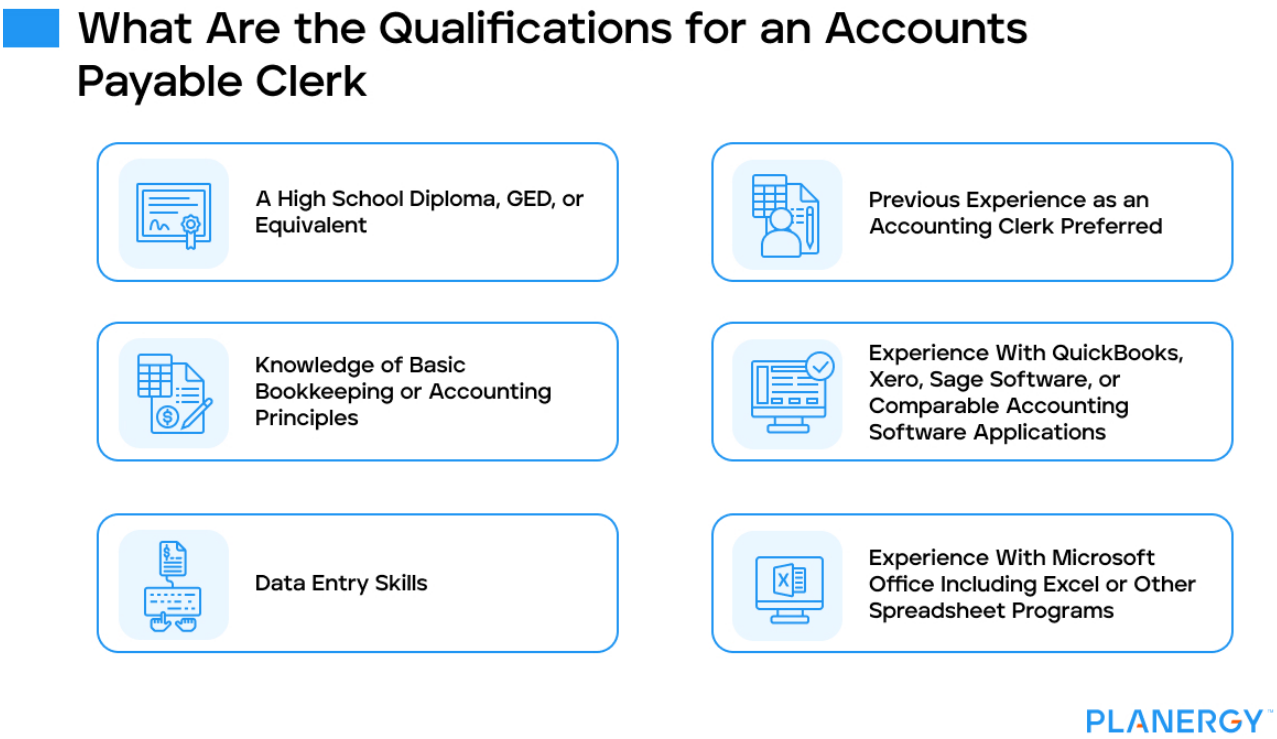
- Experience in bookkeeping, accounting, or a related field
- Mathematical ability
- Detail oriented
- Organizational skills
- Comfortable with multiple computer systems
- Ability to multi-task
- Ability to meet deadlines in a timely manner
- Willingness to learn
- Good verbal and written communication skills
- Ability to work with others or independently
- Analytical skills
- Familiarity with budgets

What Are the Qualifications for an Accounts Payable Clerk?

In general, an AP clerk is responsible for handling most of the paperwork that flows through the AP department.

While previous accounting experience is preferred, many larger businesses hire

entry-level AP clerks, provided that they have most of the following qualifications:



- A high school diploma, GED, or equivalent
- Previous experience as an accounting clerk preferred
- Knowledge of basic bookkeeping or accounting principles
- Experience with QuickBooks, Xero, Sage Software, or comparable accounting software applications
- Data entry skills
- Experience with Microsoft Office including Excel or other spreadsheet programs

While experience working as an AP clerk can be a plus, many businesses will accept a candidate that has basic knowledge of bookkeeping or accounting.

What Are the Key Duties of an Accounts Payable Clerk?

Accounts payable clerks usually handle day-to-day tasks starting with the initial processing of vendor and supplier invoices.

This includes reviewing and verifying the invoice for accuracy, completing the three-way matching process, and routing invoices to the appropriate parties for approval.

Once an invoice has been approved, the accounts payable clerk typically enters the invoice into an accounting software application.

The role of the AP clerk may also include processing AP reports for management, running checks, routing checks for signatures, and filing invoices after payment has been made.

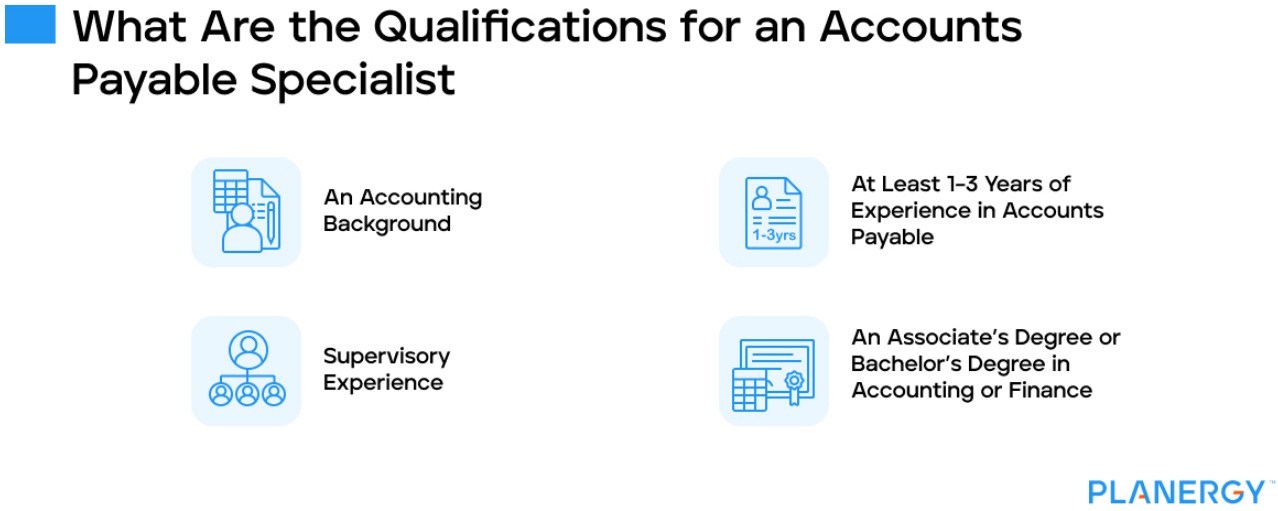
In most cases, an accounting clerk has limited management responsibilities, with all issues such as exceptions, overpayments, or vendor or supplier credits handled by a more experienced staff member.

What Are the Qualifications for an Accounts Payable Specialist?

The qualifications for an accounts payable specialist are similar to those of an accounts payable clerk, with some distinct differences.

In most organizations, an accounts payable specialist plays a more senior role than that of a clerk.

In light of that, most organizations prefer that accounts payable specialist applicants have the following qualifications in addition to those listed above.



- An accounting background
- At least 1-3 years of experience in accounts payable
- Supervisory experience
- An associate's degree or bachelor's degree in accounting or finance

An accounts payable specialist typically enters the role as an experienced individual and is tasked with more responsibilities than those of an accounting clerk.

What Does an Accounts Payable Specialist Do?

In addition to the duties ascribed to an accounts payable clerk, in many organizations, an accounts payable specialist also handles the following:

- All vendor and supplier correspondence including answering questions via phone and email
- Working closely with procurement to better manage purchase orders
- Resolving outstanding vendor or supplier issues
- Investigate invoice, purchase order, or shipping receipt exceptions found during routine three-way matching
- Researches other departmental issues and resolves them promptly
- Prepares all monthly financial reports for management
- Updates financial records as needed

- Reconciliation of accounts payable ledger account monthly
- Provide requested financial data for audits

Other positions commonly found in the AP department include the accounts payable supervisor and the accounts payable manager, with both positions charged with overseeing the work of accounts payable clerks and specialists.

What Is the Work Environment of Accounts Payable?

An accounts payable clerk or specialist position is usually full-time for eight hours per day.

Depending on the business, the job may be completed in an office environment, remotely, or offer employees a combination of onsite and remote work options.

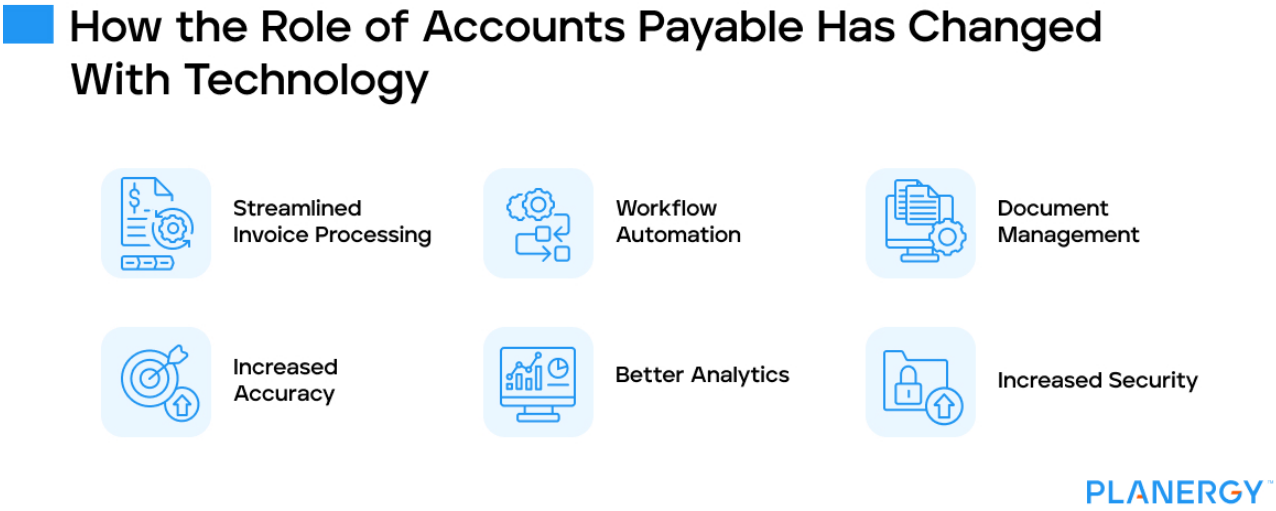
In most cases, the position requires the employee to work independently, though there is usually some interaction with co-workers, supervisors, and staff members in other departments.

Depending on their role, an accounts payable staff member may also spend a considerable amount of time on the phone with vendors and suppliers resolving exceptions and answering questions.

How the Role of Accounts Payable Has Changed With Technology

Technology has significantly changed the accounts payable department, transforming a once paper-driven department to one primarily managed using technology such as artificial intelligence and machine learning.

The following represents just a few ways that technology has permanently changed accounts payable processes.



Streamlined Invoice Processing

In the past, accounts payable relied on manual tasks to process invoices. The old way of doing business often involved shuffling papers from employee to employee to handle routine tasks such as invoice distribution, three-way matching, invoice approval, and invoice data entry.

Today's technology has replaced many of these processes by offering automatic invoice coding and data entry, electronic routing of invoices for approval, ACH payments.

Technology has also eliminated the need to secure and maintain check stock, run checks, obtain signatures, and stuff and mail checks to vendors and suppliers.

Workflow Automation

Paper documents get lost. Manually routing invoices to the correct department for review or routing an invoice for approval frequently resulted in lost or misplaced invoices, often leading to late payments.

With the ability to automatically match invoices to purchase orders and shipping receipts and then route invoices for payment to the correct approvers, invoices are no longer lost in transit, but instead are recorded in your AP system ready to be paid. On time.

Document Management

Even those reluctant to embrace technology appreciate electronic document management.

Along with eliminating the need to spend hours searching for lost or misfiled documents, the use of an electronic document management system means that AP staff no longer have to spend valuable hours filing stacks of invoices after paying vendors and suppliers.

Increased Accuracy

By eliminating many of the manual tasks that traditionally took hours or days to complete, AP staff can now concentrate on more important tasks, while reducing the incidence of human error that commonly occurs processing AP manually, such as:

- Data entry errors
- Transposing numbers
- Overpayments and underpayments
- Duplicate payments
- Fraud

Better Analytics

If a paper invoice is sitting on someone's desk waiting to be approved, or buried in an inbox somewhere, that means it's not recorded in your accounting software application.

Because of that, any reports that you process will not accurately display your spending totals.

It's difficult to get a handle on spending when many of the invoices that you'll need to pay have yet to be entered into your system.
Using automation, your reports reflect committed spending totals in real time.

Increased Security

If you're currently writing checks for payment to vendors and suppliers, are you confident that the check stock is secure?

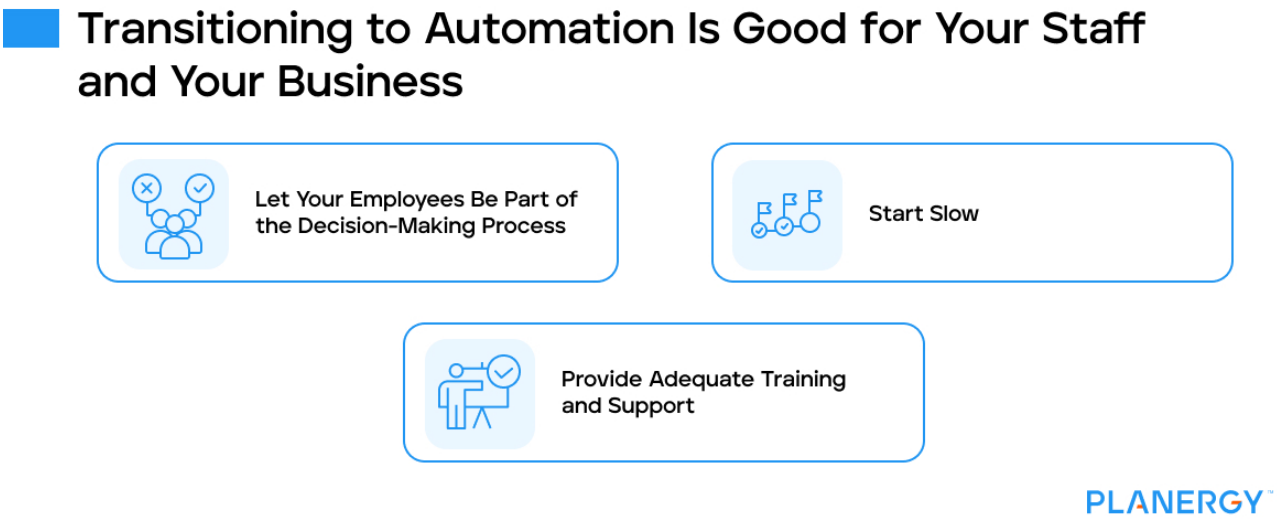
Are you sure that an employee is unable to enter a fraudulent invoice?

With AP automation you can easily restrict access to the system as you see fit and eliminate the use of checks.

Transitioning to Automation Is Good for Your Staff and Your Business

Not everyone embraces change, and if you're looking to implement an automated accounts payable application, you may experience some pushback from staff, who are likely more comfortable continuing to perform their job duties in the manner they're accustomed to.

If your employees are uncomfortable with automation, try the following:



- **Let Your Employees Be Part of the Decision-Making Process**

  Before deciding on the best technology for your company, get some

feedback from your staff. Let everyone share their unique perspective.

With some encouragement, your employees would likely be happy to be relieved from performing mundane, repetitive tasks.

- ## Start Slow

Instead of implementing AP automation immediately, consider going at a slower pace.

For instance, you may want to introduce a single feature such as optical character recognition or OCR, which is used to scan, read, and extract data from invoices.

Doing so allows your employees to become comfortable with a single technology feature before moving on to more advanced features.

- ## Provide Adequate Training and Support

Some of your employees may be nervous at the thought of learning a new system.

By offering hands-on training to staff members, you may find that their enthusiasm increases dramatically once they're familiar with the application.

Automation continues to shape the future of accounts payable departments globally. As a result, the accounts payable role of 2024 looks very different from the AP clerk job description of 20 years ago.

Technology is part of the future of AP and both current and future staff must have the ability to utilize it properly.

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