

Accounts Payable Skills: What You Need For A Successful Career In Accounts Payable



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Whether you're interested in an entry-level position as an accounts payable clerk or looking to move up to a management-level position, you'll need a specific set of skills to ace an interview and be offered an accounts payable job.

A high-school diploma is typically required for entry-level clerks hired for clerical support, but more advanced positions may require a bachelor's degree, with educational requirements varying on accounts payable job postings, depending on the position.

What Key Skills Do You Need for Accounts Payable?

Employers and recruiters look for the following skills when hiring an accounts payable professional.

Because accounts payable is changing and evolving, you should make it clear on your resume that you're comfortable taking on new challenges.

What Key Skills Do You Need for Accounts Payable



Basic Accounting or Bookkeeping Knowledge



Understanding Accounts Payable Principles



Computer Skills Including Data Entry Experience



Detail Oriented



Organizational Skills



Familiarity With Spreadsheet Applications

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• **Basic Accounting or Bookkeeping Knowledge**

Basic accounting or bookkeeping knowledge is a necessity.

Knowing what debits and credits are, understanding the difference between assets and liabilities, and how to record AP transactions in the general ledger is a must for even beginning accounts payable clerks.

• **Understanding Accounts Payable Principles**

If you're interested in working in accounts payable, being familiar with common AP forms like purchase orders and invoices is important.

Understanding payment terms and procurement processes can give you a leg up on the competition.

Computer Skills Including Data Entry Experience

Accounts payable requires a tremendous amount of data entry.

Without computer skills or familiarity with data entry, frequent errors are bound to occur regularly.

• Detail Oriented

Details matter, especially in accounts payable. Paying attention to those little details is a necessity for anyone working in AP.

A single mistake such as a missed due date or an invoice entered in the wrong amount can create multiple problems for the business.

• Organizational Skills

As an accounts payable employee, you'll need to organize purchase orders and invoices, process invoices, forward invoices to the correct approver, enter approved invoices into the system, and pay invoices when they're due.

Even if you're using some form of automation, a certain level of organization is necessary.

• Familiarity With Spreadsheet Applications

Almost as important as having basic accounting and bookkeeping knowledge is the ability to create spreadsheets.

Even with the move to automation, there will always be a need to create spreadsheets in Microsoft Excel or other spreadsheet applications.

While these are the main skills needed for a career in accounts payable, individual businesses may have additional requirements, depending on

their industry and the number of accounts payable transactions processed each month.

In many cases, a business with a busy accounts payable department will have more stringent requirements when looking to hire an accounts payable clerk.

What Are the Soft Skills for Accounts Payable?

Technical skills like accounting or bookkeeping knowledge, data entry skills, and spreadsheet experience are all important for accounts payable employees.

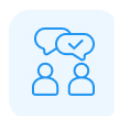
But in accounting, soft skills matter as well.

These are a few of the soft skills that can turn a competent employee into an outstanding one.

■ What Are the Soft Skills for Accounts Payable



Leadership Skills



Good Communication Skills



Problem-Solving Skills



Customer Service Skills

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• Leadership Skills

Even though your position may not require supervisory experience, having leadership skills can prepare you for advancement.

Being able to make informed decisions, helping others with problems or issues that may arise, and taking initiative when necessary are all signs of

a future leader.

• **Good Communication Skills**

Being able to communicate with co-workers, vendors, and suppliers is a must.

For example, you'll have to communicate with co-workers if questioning pricing on an invoice or expenses on a report.

• **Problem-solving Skills**

Are you comfortable using your analytical skills to find the solution to a problem?

If so, a career in accounts payable may be a great option for you, particularly when addressing an issue that requires more than just a routine investigation.

• **Customer Service Skills**

While communication skills can serve you well when working with colleagues in the accounting department or throughout the company, having good customer service skills is essential for dealing with vendors and suppliers.

Knowing how to communicate in a timely manner, answer questions, and resolve issues can help maintain and even strengthen these vital business relationships.

What Are the Roles and Responsibilities of Accounts Payable?

Typically known as the accounts payable process, the role of accounts payable is to process, verify, and pay business expenses promptly and accurately.

But on a larger scale, the accounts payable department is also responsible for all

funds leaving the business, making it the perfect vessel for properly managing business expenses and cash flow.

The key functions of the accounts payable department include:

■ What Are the Roles and Responsibilities of Accounts Payable

-  1. Reviewing Invoices and Expense Reports
-  2. Routing the Invoice for Approval
-  3. Coding Invoices
-  4. Processing Invoices
-  5. Paying Vendors and Suppliers
-  6. Filing Invoices
-  7. Reconciling Accounts
-  8. Creating Financial Reports
-  9. Managing Supplier and Vendor Relationships

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1. Reviewing Invoices and Expense Reports

The AP department is responsible for reviewing and verifying all supplier and vendor invoices and expense reports.

Even if you're using an automated AP application, the AP department is still responsible for ensuring that all invoices received are from an authorized vendor or supplier, and are dated properly.

The review process should also include three-way matching, which matches an invoice with a corresponding purchase order and shipping receipt.

Routing the Invoice for Approval

Once three-way matching is complete, the invoice should be routed to the approver before it's entered into the system since you don't want to enter an invoice into your software application and then find out the invoice has not been approved.

3. Coding Invoices

Coding an invoice may be completed by the AP clerk or by the approver.

In any instance, coding the invoice correctly is necessary before entering the invoice, or you'll need to complete a journal entry later to reclassify it, should bit be coded to the wrong expense.

4. Processing Invoices

Once the invoice has been approved, it's ready to be entered into your accounting software application, or recorded manually in your AP journal.

Once the invoice has been entered, it's ready to be paid by the specified due date.

5. Paying Vendors and Suppliers

The AP manager will review all outstanding AP invoices to determine which ones should be paid.

Once invoices are selected for payment, the clerk is responsible for processing vendor/supplier checks or ACH payments.

6. Filing Invoices

If running checks, the check stub should be matched with the invoice and filed in the vendor or supplier file.

Again, with an automated AP system, the record-keeping process is 2. automated, with payment records in an electronic file, eliminating the

need to manually file them.

7. **Reconciling Accounts**

Part of the job of an accounting clerk or AP clerk is reconciling financial transactions and discrepancies, including managing AP entries in the general ledger as well as other financial records.

8. **Creating Financial Reports**

AP clerks are responsible for preparing AP reports for management as well as reconciling any outstanding items on the reports.

9. **Managing Supplier and Vendor Relationships**

Managing relationships is a valuable skill set that should not be overlooked.

Regularly communicating with vendors and suppliers promptly is essential for maintaining a good relationship.

How Is the Role of Accounts Payable Changing?

Perhaps the biggest change to accounts payable is artificial intelligence or AI.

Coupled with optical character recognition (OCR) and machine learning, AI is transforming how accounts payable are managed in businesses large and small.

With the introduction of AI, the role of an accounts payable clerk has gradually evolved from paper-driven to one of a more strategic nature.

As automation has increased, AP departments are spending less time on manual tasks, shifting the focus to supplier relationships, hands-on expense management, and better cash flow forecasting.

AP departments will also be called on to improve supply chains by working more closely with vendors to improve communication and the invoice submission process.

How Much Do Accounts Payable Jobs Pay?

According to Glass Door, as of September 2023, an accounts payable clerk's salary can range from \$32,000 per year to \$56,000 per year, with an average salary for five years of experience averaging \$42,546 annually.

According to Payscale.com, a compensation management platform, experience matters, with accounts payable specialist and manager positions usually paying between \$48,000 to \$92,000.

Of course, AP salaries also depend on the scope of work, the employee's educational background, and any related accounts payable experience.

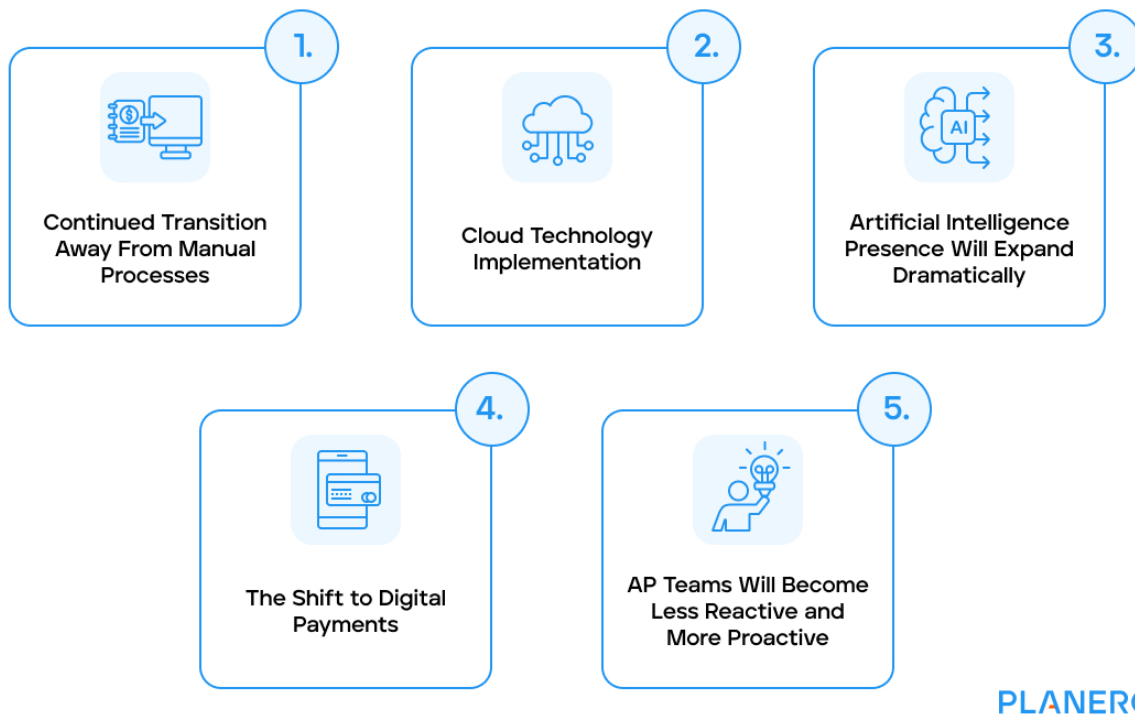
What Are Future Trends in Accounts Payable?

Accounts payable has always been a process-driven department, with a high number of manual tasks required.

Once considered a back-office process, AP has transformed in recent years into a strategic cost center that can help businesses better manage their finances.

Other trends that will continue to impact accounts payable include:

What Are Future Trends in Accounts Payable



1. Continued Transition Away From Manual Processes

Even though an untold number of companies continue to process accounts payable manually, the vast majority have instituted some form of automation into their business.

Optical character recognition, one of the first automated tools offered for AP processing continues to gain increased usage while others have made the switch to complete AP automation.

Though there's a long way to go for complete automation, businesses are beginning to recognize the advantages automation offers and are finally jumping on board.

2. Cloud Technology Implementation

Cloud technology can make everything easier, including your AP processing.

A cloud-based application allows you and your employees to work from any location, access information when you need it, and eliminate the need to have expensive hardware on hand to run your applications.

3. **Artificial Intelligence Presence Will Expand Dramatically**

While technology like OCR is helpful, using AI combined with robotic process automation or RPA eliminates manual processing like data entry, thus reducing common issues such as data entry errors and duplicate payments.

While AI and RPA require some level of human intervention, particularly when first being implemented, once the system is up and running the way you like, AP personnel can spend their time doing more critical tasks.

4. **The Shift to Digital Payments**

If you're still cutting checks, having management sign them, then stuffing them in envelopes and mailing them, you're in the minority.

Digital payments are the future, with ACH transfers leading the way.

On a side note, processing payments digitally also saves money and is more secure than traditional check stock - another reason to update your payment system.

5. **AP Teams Will Become Less Reactive and More Proactive**

Anyone who has processed AP for a significant amount of time knows exactly how time-consuming traditional AP processing is.

But with AI leading the way, accounts payable is on its way to becoming a resource for better managing expenses that benefit both you and your vendors and suppliers.

Is There a Future in Accounts Payable?

As long as businesses continue to operate, bills will need to be paid. Though AP has seen drastic shifts in recent years, the need to manage expenses will not disappear.

Instead, AP departments will employ a more strategic approach that shifts the focus away from manual tasks, placing greater emphasis on vendor and supplier management and a focus on cash flow.

If you're looking for a challenging job that will continue to evolve for years to come, accounts payable may be the perfect choice.

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