

Accounts Payable Policies and Procedures

Mary S. Schaeffer

Table of Contents

Chapter 1 – The Role an Accounts Payable Policy and Procedures Manual Plays.....	1
Learning Objectives.....	1
Introduction.....	1
Why a Policy and Procedures Manual Is Needed.....	1
What If You Don't Have One?.....	2
The Policy and Procedures Manual from a Control Standpoint.....	3
The Policy and Procedures Manual: An Ongoing Project.....	4
Including a Flowchart Is Not a Bad Idea.....	4
Review Questions.....	6
Review Answers.....	7
Chapter 2 – Creating the Manual.....	8
Learning Objectives.....	8
Introduction.....	8
No Policy and Procedures Manual? Three Ways to Get Started.....	8
The Rationale for a Policy and Procedures Manual.....	8
Keeping It Updated.....	9
A Straightforward Plan to Update the Accounts Payable Policy and Procedures Manual.....	10
No Shortcuts Available.....	11
Tips for Creating a User-Friendly Accounts Payable Policy and Procedures Manual.....	11
Review Questions.....	13
Review Answers.....	14
Chapter 3 – Using the Manual.....	15
Learning Objectives.....	15
Introduction.....	15
Getting a Manual Produced Quickly.....	15
Teaching an Old Dog New Tricks: 5 Tips to Enforcing Policy Changes.....	16
Help From the Manual.....	17
Review Questions.....	19
Review Answers.....	20
Chapter 4 – The Segregation of Duties Issue.....	21
Learning Objectives.....	21
Introduction.....	21
Don't Overlook Segregation of Duties Requirements.....	21
Segregation of Duties: How Much Access Do Your Employees Really Have?.....	22
The Potential Scenario.....	23
The Solution.....	23
Six Common Procedures that Enable Internal Check.....	24
Fraud: Fix Them with Your Policy.....	24
Review Questions.....	26
Review Answers.....	27

Table of Contents

Chapter 5 – Reviewing and Updating Your Policy and Procedures Manual	28
Learning Objectives.....	28
Updating Your Accounts Payable Policy and Procedures Manual.....	28
Often-Overlooked Practices that Should be Incorporated into Your Policies..	31
Review Questions	34
Review Answers.....	35
Appendix – How Good Is Your Policy and Procedures Manual?.....	36
Diagnostic: How Good Is Your Policy and Procedures Manual?	36
Best Practice Policy and Procedures Manual Diagnostic.....	36
A Discussion of the Best Practice Responses	37
Sample Outline for an Accounts Payable Policy and <i>Procedures Manual</i>	39
Glossary.....	43
Index	45