

FOR XERO USERS

A guide to automating Accounts Payable



Xero Community Rating



UK App Partner of the Year(2020, 2021)



NZ App Partner of the Year(2020, 2022)



 Automated approvals

 Secured

Decision required + NEW REQUEST

-  Bill ref.276 From Apple Inc. 3 305.78 USD WOOD HARVEST LTD. APPROVED
-  Bill no.RB9237349718 From Google Inc. 3 305.78 USD WOOD HARVEST LTD. 1 day before deadline
-  Purchase Order To Google Inc. 3 305.78 AUD WOOD HARVEST LTD. 1 day before deadline
-  Sales Quote QU-004 To Google Inc. 6 708.00 AUD MACHINERY INTERNATIONAL 1 day before deadline
-  New Supplier and Customer – IBM company 6 708.00 AUD 1 day before deadline
-  Sales Quote QU-004 To Google Inc. 6 708.00 AUD MACHINERY INTERNATIONAL APPROVED
-  Sales Quote QU-004 To Google Inc. PAID

Purchase order to Google Inc. for

You are approving on behalf of

Wood Harvest Inc.
111 8th Ave, New York NY 10011
Business registration number: 773
Tax ID: 7739486923684293

Submitted by Joshua Mac
ApprovalMax

Actions: EDIT | START OVER TH

There seems to be a very s

Payment details

This bill was published as

Date: Nov 1, 2020 Account: Busine

Delivery details

Delivery address
111 8th Ave, New York, NY 10011

Agenda

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When most businesses start out, accounts payable (AP) is straightforward with just a few bills here and there. But as the business grows, so does the volume of bills. AP can become challenging to control and is time-consuming without proper processes and policies in place.

Thankfully, there are apps that automate the AP function for you, which save time and use far less manual labour.

Learn how to automate your AP function in this guide.

Who is this guide for?

This guide is for anyone who plays a part in the AP process in Xero, from business owners and employees, to the partners they work with.

Some common roles we'll refer to throughout include:

Bill reviewers	Often accountants or bookkeepers, whether in-house or external, who review bills in Xero.
Approvers	Typically managers (or higher) within a business who have authority to sign off on an expense, like an incoming bill from a contractor.
Finance managers	Also known as CFOs, financial controllers or finance directors. Depending on the organisation, they're responsible for an organisation's finance function.
Budget owners	These often overlap with bill approvers and are people within a business who are responsible for a budget, usually for a department or project. They can raise and approve purchase orders (POs).
Procurement	Procurement is a business department that oversees what a company buys, including selecting suppliers and managing payment terms.
Purchasing	Although similar to procurement, purchasing has the distinct responsibility of managing the practicality of how goods and services are ordered.
Legal	Whether in-house or external counsel, legal's role is to provide legal advice and help ensure compliance with relevant laws and regulations.

Automate your approvals

How do you currently manage bill approvals? For many, a manual process does the trick, at least for a while. Printing bills and popping them in a tray or forwarding them via email gets the job done, but it's also quite hands-on – literally in many cases where managers and business owners have to sign each document.

Technology can take the process you're using now and make light work of it, boosting efficiency, reducing errors and even saving hours of time that can be put to better use.

With the right approach, the heavy lifting can happen in the background to make approvals easier for your whole organisation – and those you do business with.

Want to automate your approval process?

Automation makes light work of time consuming tasks. Consider how automation could take the hassle out of your bill approval process, saving time and resources. **With ApprovalMax, 25% of bills are approved within two hours, and 50% within one day.**

It gets rid of the need for manual approval requests and confirmations, which saves accountants, bookkeepers, approvers, and auditors time and effort.

Automation simplifies the entire approval process while tightening your internal financial controls at the same time.



How it works in Xero



Once bills are created in Xero or ApprovalMax, they then get pushed out for approval. These are then sent to predetermined approvers for sign-off via the app, email, or even Slack. Once final approval is granted, the status in Xero is automatically updated to 'Approved'.

Who's involved?

✓ Bill reviewers

✓ Approvers

✓ Finance Managers

Step 2:

Save time with a data entry tool

When you're up against the clock with a huge stack of bills to process, the last thing you want to do is manually code each one. **When you have so many bills, the chances of something slipping through the cracks gets higher**, and if a discrepancy is found, the time to investigate and correct the error can be labour intensive and impact real-time reporting.

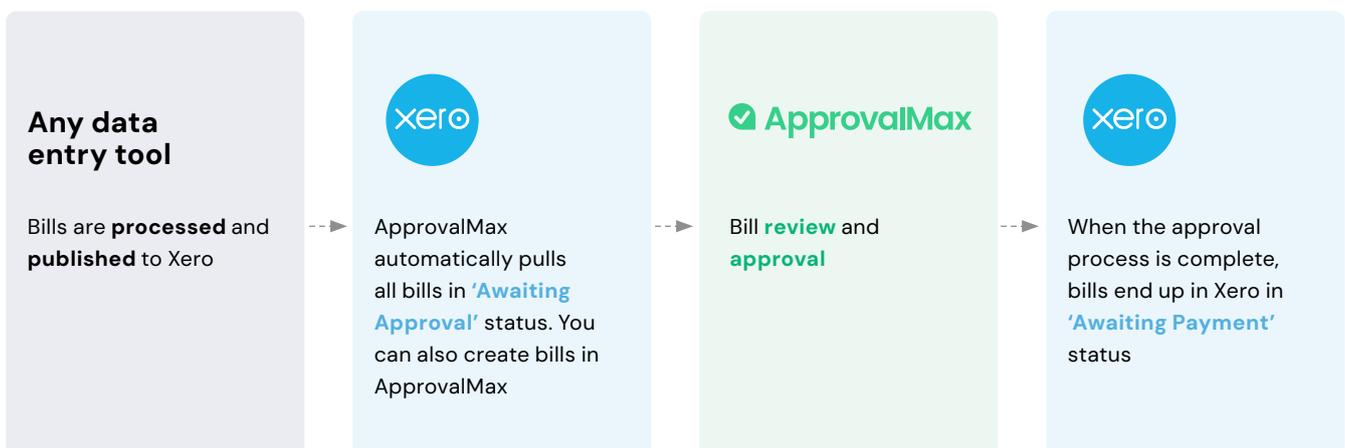
Looking for a way to speed up data entry and improve accuracy?

Nowadays, there are data extraction tools on the market, like Dext and Hubdoc. These typically use optical character recognition (OCR), artificial intelligence (AI) and machine learning (ML) technology to gather relevant data from the uploaded documents, such as date, vendor information, and amounts, to automatically categorise and record the bill in Xero.

Adding a data entry tool to your app stack can streamline the entire process of inputting receipts and invoices, saving time and even cutting down on human error.



How it works with ApprovalMax and Xero



The data entry tool (e.g. Dext) pushes the bill to Xero with the status 'Awaiting approval'. The bill is then pulled into ApprovalMax for approval. Once approved, the bill goes back to Xero and the status is updated to 'Approved'.



When using Dext Prepare and the direct integration with ApprovalMax, bills go from Dext Prepare directly to ApprovalMax. It's a cleaner process as non-approved and rejected bills will not show up in Xero.

Who's involved?

✓ Bill reviewers

✓ Approvers

✓ Finance Managers

Step 3:

Track expenses with purchase orders and Bill-to-PO matching

With so many incoming bills to sort through, sometimes it's hard to keep track and make sure you're only paying for goods or services you've ordered. **That's when extra processes are needed to double check bills against purchase orders – or to start using purchase orders altogether, if you don't already.**

Match your bills to the right purchase order 100% of the time

ApprovalMax allows you to match bills to purchase orders in one system, without having to look in several different places.

Enhance your internal financial controls and prevent unauthorised purchases by ensuring that the person creating the purchase order is not the same person approving it. Segregating these duties and having a tight system allows you to control costs, adhere to budgets, increase transparency, and minimise errors.



How it works in ApprovalMax

Purchase order creation and approval process



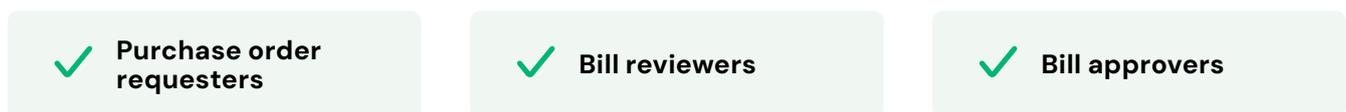
Bill approval with matching



Create purchase orders in ApprovalMax then share the purchase order number with the relevant supplier once approval is complete. When the bill comes in, it will be matched to the appropriate purchase order and approved in ApprovalMax.

Once this is done, the status is then updated in Xero to 'Approved'.

Who's involved?



Step 4:

Gain visibility using budget control

Cross-checking expenses across multiple budgets can take a bit of patience – especially when tackling a lot of transactions. **Switching back and forth between different tools can lead to errors** with a rogue number forgotten here or there.

Budget

The following budgets would be affected by the approval of this request:

Budget name	Location	Departments	Account
Overall Budget	Do not filter	Do not filter	400 -Adver
Local CSM Budget	Auckland	CSM	400 -Adver

Want a fast and safe way for decision-makers to check budgets before giving their approval?

Give your approvers an all-in-one view with the budget checking feature in ApprovalMax before they sign off.

Budgets are pulled directly from Xero so approvers can view the relevant details right below an approval request. This tells the approver which budget/s are affected by the bill in question and shows the remaining amount left in the budget should the bill be approved.

How it works in ApprovalMax



The status indicator shows if approving a request will go over budget. For example, a green indicator means it's fine, while red means the budget is at risk. After the approver completes the approval process, ApprovalMax automatically recalculates the budget/s to reflect the approved transaction.

Who's involved?

✓ Budget owners

✓ Bill reviewers

✓ Bill approvers

Step 5:

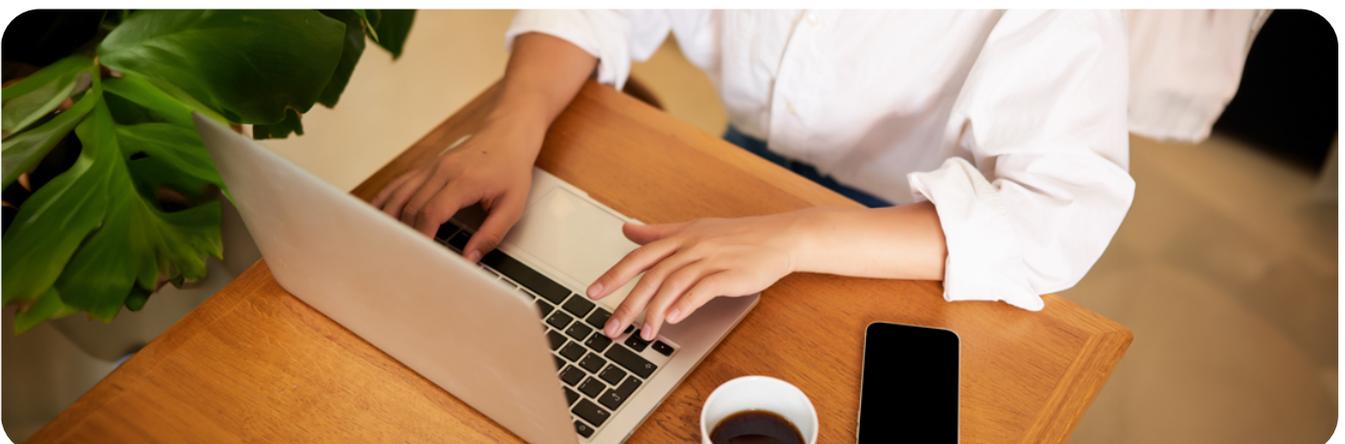
Verify suppliers faster – and automatically

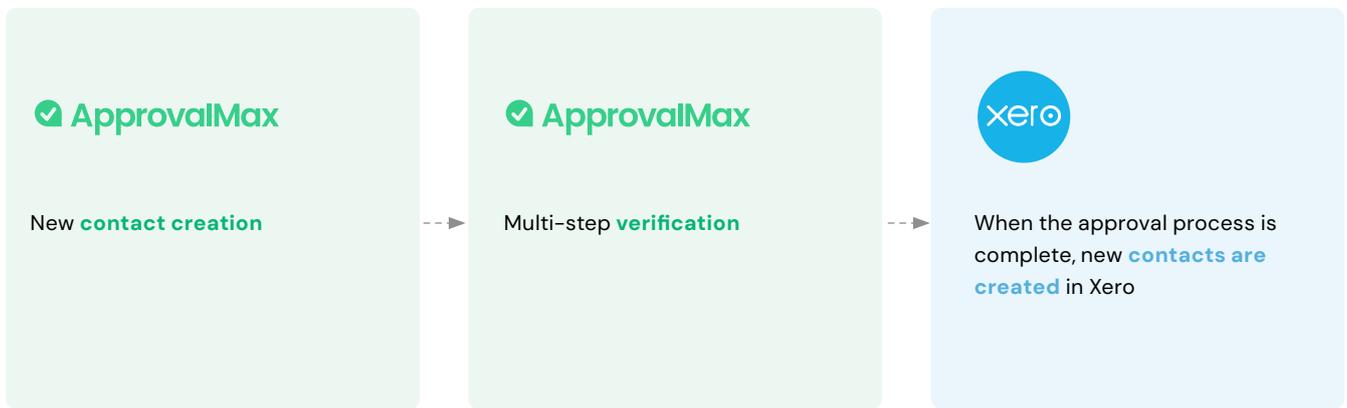
It becomes necessary to build a supplier vetting process as a business grows. This critical step checks that suppliers can not only meet the demands of your business, but won't pose any risks since suppliers are seen as an extension of your brand itself. When there's more than one person doing these checks, consolidating supplier information in parts can cause delays to the vetting process.

Want to establish a foolproof, automated supplier verification process?

Use the contact approval workflow in ApprovalMax to automate your supplier vetting process, ensuring every supplier is consistently screened and approved before any payments are made.

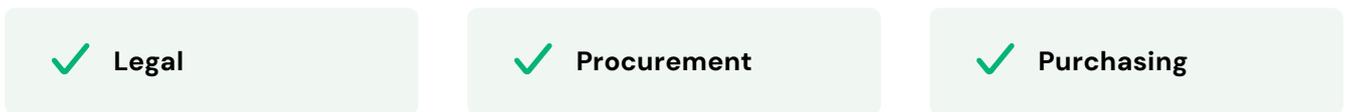
This way, you can trust the suppliers in your system have been authenticated.





New contacts are created and submitted for approval in ApprovalMax. ApprovalMax then starts the multi-step approval workflow according to the specified rules. The respective managers get notifications and see all information about the supplier necessary to make their decision. When all approvals are in place, the contact status changes to 'Authorised' and the contact is created in Xero and ApprovalMax.

Who's involved?*



*This list is just an example, the actual list depends on your company setup.

Step 6:

Prioritise bills with batch payment approvals

Batch payments are a great way to save time by paying multiple bills at once. However, sometimes businesses need a little more detail than is available within Xero – like giving priority to certain payments or applying unique terms. They might use manual workarounds or extra reviews instead, which adds complexity and increases the likelihood of mistakes.

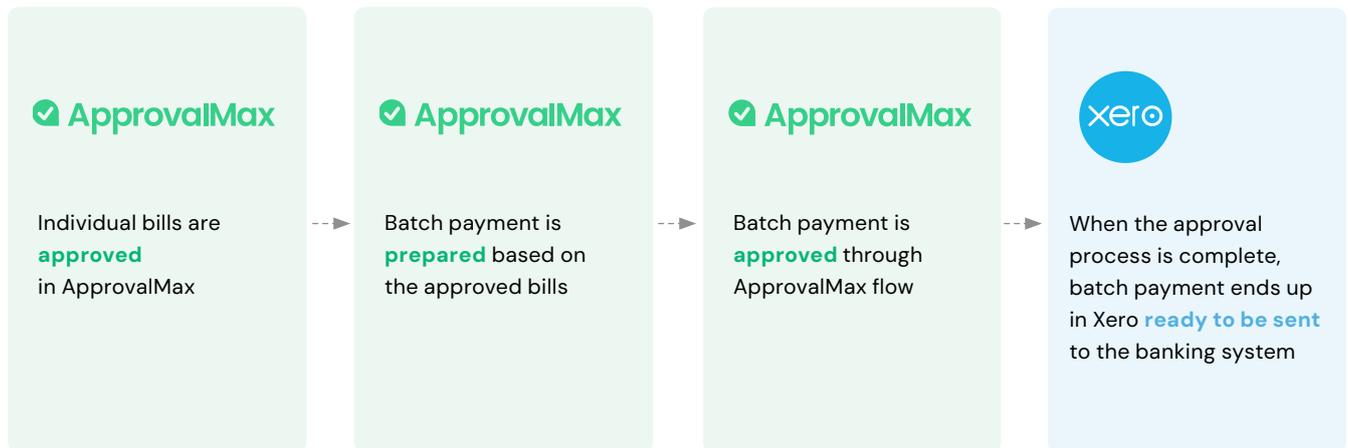
Batch payment bills: 2				
Item	Supplier	Bill Reference	Date	Due Date
Bill NZ-001 from East Repair	East Repair	NZ-001	02 Jan 2024	12 Feb 2024
Bill NZ-002 from East Repair	East Repair	NZ-002	02 Jan 2024	10 Feb 2024

Want better control over payments?

Start preparing batch payments and approving them outside of Xero. **Streamline the process for batch payment approvals by automating the approval process** using ApprovalMax.

After an accountant or bookkeeper prepares a batch, it will go through the approval process already set up in ApprovalMax.

How it works in ApprovalMax



Once a series of payments are selected to be included in the batch, ApprovalMax ensures that the batch follows the set multi-step approval workflow.

When all approvals are completed for the batch payment request, ApprovalMax automatically sends this information to Xero where payment can then be sent to the banking system.

Who's involved?

✓ Accountants or bookkeepers

✓ Finance Managers



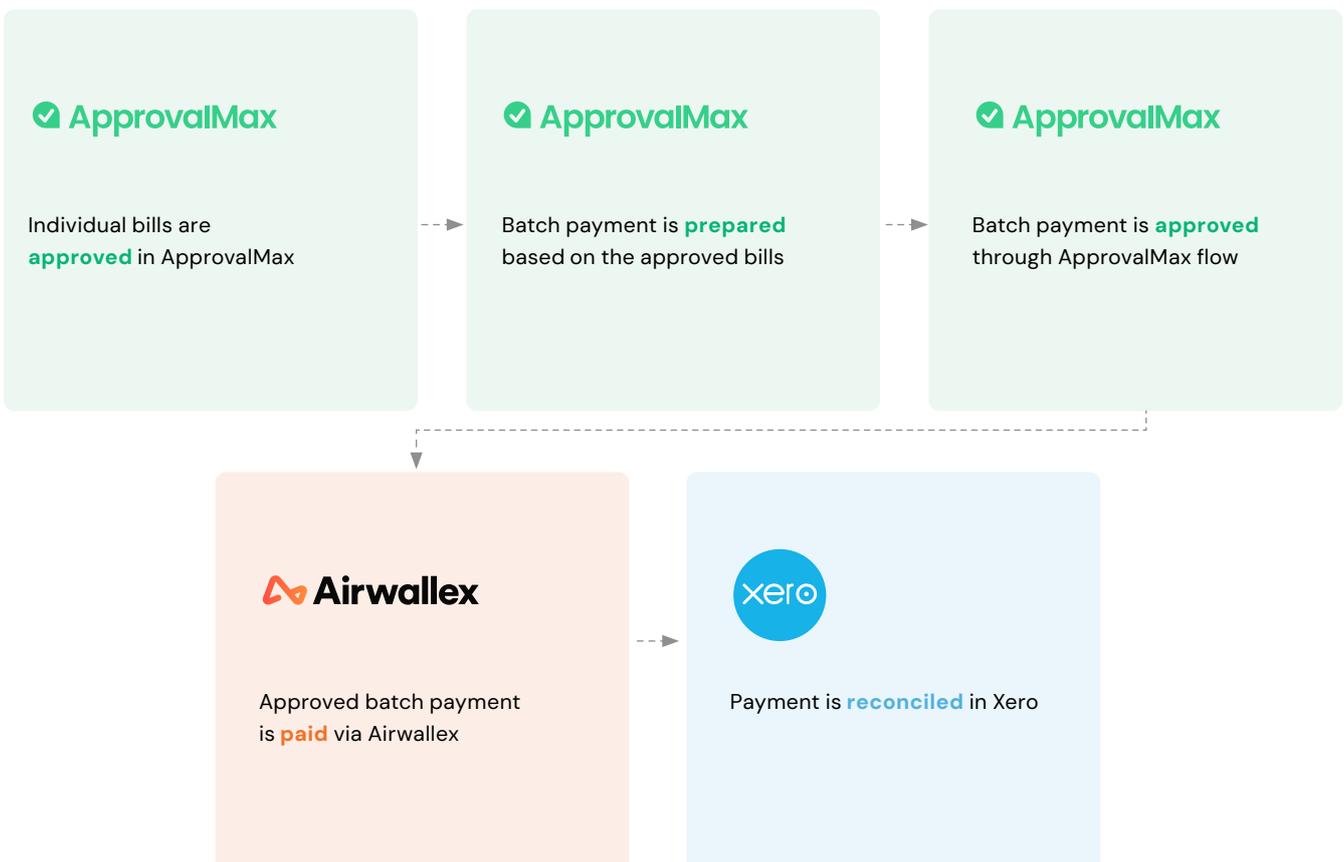
Make payments via Airwallex (for UK, AU, and NZ businesses)

Does your organisation make a lot of payments? From paying for amenities like electricity, rent, subscriptions, and even contractors, the bills add up fast. When you add international transactions into the mix, managing these payments gets a little trickier. Thankfully, our Airwallex integration is available to organisations in the UK, Australia and New Zealand to lighten the load and automate the last piece of the AP process.

Searching for a way to simplify bill payments?

The integration combines our automated approval capabilities with efficient payment processing. This all happens within ApprovalMax, meaning **you can approve and pay while in the same platform for smoother workflows, enhanced financial control, and easier compliance**. The integration also gives accounting and bookkeeping firms the ability to manage client payments without handling manual file uploads, and needing access to internet banking, thereby saving time, reducing risk, and minimising errors.

How ApprovalMax works with Airwallex and Xero:



Individual bills are approved in ApprovalMax. After that, a batch payment is prepared based on the approved bills. When the batch payment is approved via the ApprovalMax workflow, it is paid from ApprovalMax via the Airwallex platform. After that, the payment is reconciled in Xero.

Who's involved?



Accountants or bookkeepers



Finance Managers

Explore AP automation with ApprovalMax today

Start a free 14 day trial!

Contact us
sales@approvalmax.com
approvalmax.com

