We love leveraging automation for enhance AP Reporting

Effective Accounts Payable (AP) reporting is pivotal for data-focused financial management, yet it often gets neglected. Learn how automation empowers comprehensive reporting, and liberates employees from tedious manual work.

Accounts Payable (AP) reporting is important for businesses taking a data-driven approach to their finances. Sadly, it usually ends up on the back burner. Without access to real-time reporting and on-demand data, businesses lack valuable insights into finance operations.

AP reporting is the ongoing process of tracking and reporting business expenses to ensure an organization maintains accurate financial data. Reporting helps finance departments ensure invoices are paid on time and helps maintain a positive relationship with vendors. According to the IRS, keeping accurate records can help you do the following:

- Monitor the progress of your business.
- Prepare financial statements.
- Keep track of deductible expenses.
- Prepare your tax returns.
- Support items reported on tax returns.

Around 84% of the typical AP practitioner's day is wasted on manual, repetitive tasks, like manual data entry, pushing paper, fixing typos and other mistakes, chasing down information, and responding to calls and emails from suppliers and stakeholders about the status of invoices and payments. With so many time-consuming tasks taking precedence, employees are less likely to have the time to compile lengthy financial reports or review past statements as needed.

If you're ready to enhance your reporting capabilities but don't have the resources, AP automation software can help. Not only do best-in-class invoice and payment automation solutions eliminate the manual processes that overburden employees, but they also provide enhanced reporting capabilities that are easy to use and navigate.

Here are some examples of reports available when using AP automation tools:

1. DPO Reports

A Days Payable Outstanding (DPO) report is a financial ratio that indicates the average time (in days) that a company takes to pay its bills and invoices to its trade creditors, which may include suppliers, vendors or financiers. Having insight into your DPO status can help you better understand how your business manages cash flow. Typically, a high DPO is favored because it means more cash is available to fund operations. However, reducing DPO may be advantageous if the company can qualify for vendor discounts or other incentives.

2. AP Trial Balance

An AP trial balance report lists all unpaid or partially paid invoices. This gives staff greater insight into total expenditures and can help them determine if a payment was overpaid or underpaid, sent to the wrong vendor, or not paid.

3. History of Payments

A history of payments report provides a complete list of business expenses within a given time frame, specifically all invoice payments made to vendors with the method they were made. This provides great insight into the payment process. This is important during audit season as users can access all document history. Additionally, users can use history of payments reports to track total expenditures for a selected amount of time, giving you greater visibility into your operating budget and spending.

4. Voucher Report

Vouchers are internal documents used by a company's AP department that serve as a "memorandum" of the liabilities of a company. AP payment vouchers play an essential role in the accounts payable process flow. They are generated using specific search criteria (date, vendor, department, etc.) to identify payment vouchers over a specified time. This report is handy when a business wants to see how much they spent in a particular department or project.

5. AP Aging Report

In short, an AP aging report shows the list of which vendors you owe and how much you owe them. Additionally, they include the amount of time you have owed debts and whether you have any past due payments. This type of report is crucial because it helps ensure that vendors are paid promptly and that you aren't stuck with incurring late fees from overdue payments.

6. Reconciliation of Accounts

This report details the total amounts owed to each vendor and associated accounting activities. This report aims to ensure that you are making the correct payments to the right vendors. It also guarantees that a business isn't carrying any delinquent liability accounts. Any unbalances between the open reconciliation report, and the general ledger can indicate a human error or incorrect payments.

AP automation solutions help finance teams cut processing time and save money while providing valuable, detailed reports. Without proper record-keeping, organizations risk going under if finances are mishandled. While compiling reports on your own seems impossible, leveraging Paymerang's platform ensures that all the heavy lifting is done for you. With on-demand reports and data analytics only a mouse click away, you can make informed financial decisions at a moment's notice.

To learn more about how Paymerang can help you generate necessary reports that help you maintain stability in the business office, [read more](#) on the Paymerang blog.