

Peeriosity High-Level Benchmarking - Accounts Payable Guidelines

Survey Scope

The following table lists the primary activities to be included in the benchmark when reporting headcount information:

Included Activities	Excluded Activities
Invoice Pre-Processing – receiving / distributing mail, indexing, scanning, etc.	Freight invoice processing
Invoice coding and entering data into the AP system	Travel expense reporting
Manual matching as required, performing duties to insure invoice validity	Any AP activity performed outside the functional organization
Resolving discrepancies on exception invoices	
Working with personnel outside of finance to obtain proper approvals	
Reviewing error reports and taking appropriate action	
Preparing invoices for payment, making payments	
Filing of invoices, documents; maintenance of aging files	
Accruals / accrual reversals	
Vendor file additions, deletions, maintenance beyond what is done by purchasing	
Responding to vendor inquiries	
Working with vendors and purchasing to increase electronic invoice adoption	
Reconciliation of accounts specifically related to the AP process	
Creating and maintaining process documentation, policies and procedures	
Duplicate payment analysis	
Management of the escheatment process	
Administration of the purchasing card program including policies, card administration, vendor negotiations, training, issue resolution, reconciliation, tax compliance, reporting, auditing, filing	
Self audits or operational audits designed to test key controls or process integrity	
Assisting internal audit or external audit in AP audit testing	
Responding to requests for AP disbursement analysis	
Ongoing continuous improvement initiatives related to the AP process	
Preparation / presentation / analysis of performance measures related to the AP process	
Management of AP personnel	
AP activities performed by remote AP personnel	

Itemized Data Point Reference

Number of Accounts Payable FTEs

Include AP staff, supervisors and managers that are involved in any AP processing activities. Please note that FTE (full time equivalent) is different than headcount. As an example, if a part time employee works 20 hours per week in AP, that person would represent .5 FTEs.

Number of standard hours in a workweek

Indicate the normal number of hours in a workweek for a full time person, not including any overtime. For most companies, this will be 40 hours.

Average hours of overtime hours per person per week

Indicate the average number of hours per person per week above the standard workweek, regardless of whether overtime is paid for these hours. If the typical hours worked per person is 50 hours and the standard workweek is 40, average overtime hours would be 10.

Average salary cost per Accounts Payable FTE

Include salaries, hourly wages, overtime, bonuses and profit sharing per full time equivalent (FTE). This includes AP staff, supervisors and managers that are involved in AP activities.

Payroll taxes & benefits as a percent of total salary cost

Include all taxes and benefits paid by the employer including but not limited to payroll taxes, health insurance, life insurance, unemployment taxes, workers compensation, disability insurance and contributions to savings plans. Record this in the survey as a percentage of total salary cost.

Accounts Payable Outsourcing Cost

Indicate the cost of outsourcing for any included AP process activities that are performed by an outsource vendor. This cost should only include the labor component in order to be comparable with other companies that are not outsourcing and therefore only including labor costs in the survey. If you do not know the labor component, multiply the total outsourcing cost by 90% to estimate it.

Annual number of invoices processed

Indicate the total annual number of PO and non-PO invoices processed for each of the following categories:

- Electronic Invoices
- Paper Invoices
- Purchasing Card line items processed
- Evaluated Receipts Settlement (ERS) / Paid on Receipt (POR) Invoices

Annual number of payments made

Indicate the total number of payments made for each of the following categories:

- Electronic payments
- Paper checks

First Pass Match Rate

Indicate the percentage of invoices which match automatically with no further action required to facilitate the match. Depending on the process used, this may include a three way match with the invoice, PO and receiver or it may be a two way match. A first pass match rate of 95% would mean that 5% of the invoices require some additional action in order to properly match the required documents prior to payment.