Course Title: Accounts Payable & Receivable Management: Optimizing the Cash Conversion Cycle

- **Duration:** 5 Days (approximately 35-40 instructional hours)
- **Course Goal:** To provide accounting, finance, and operational professionals with a comprehensive and practical understanding of the end-to-end Accounts Payable (AP) and Accounts Receivable (AR) cycles, equipping them with the best practices, internal controls, and process improvement strategies to manage working capital effectively, minimize risk, and enhance profitability.
- **Core Focus:** Mastering the processes, controls, and strategies for managing both the money a company owes (AP) and the money a company is owed (AR).

Learning Objectives:

Upon successful completion of this workshop, participants will be able to:

- **Understand** the strategic importance of AP and AR management in the overall cash conversion cycle.
- **Map** and analyze the end-to-end Procure-to-Pay (P2P) and Order-to-Cash (O2C) cycles.
- **Design** and implement robust internal controls to prevent errors, fraud, and duplicate payments in the AP process.
- **Master** best practices for invoice processing, three-way matching, and payment execution.
- **Develop** effective vendor relationship management and communication strategies.
- **Implement** a strong credit policy and effective procedures for assessing customer creditworthiness.
- **Optimize** the billing, invoicing, and collections processes to accelerate cash inflow.
- **Utilize** AR aging analysis and key metrics (like DSO) to manage receivables effectively.
- **Apply** professional techniques for managing overdue accounts and resolving customer disputes.
- **Leverage** technology and automation to improve efficiency and control in both AP and AR.
- **Create** an action plan to implement process improvements in their own AP or AR functions.

Target Audience:

- Accounts Payable and Accounts Receivable Clerks, Specialists, and Supervisors.
- Accountants and Finance professionals who work with or oversee AP/AR.
- Controllers and Assistant Controllers.
- Treasury and Cash Management staff.
- Internal Auditors.
- Small business owners and managers responsible for financial operations.

Prerequisites:

- A foundational understanding of basic accounting principles (debits/credits) is highly beneficial.
- Basic proficiency with Microsoft Excel.

Teaching Methodology:

This is a highly interactive and practical, process-oriented workshop. The methodology includes:

- **Interactive Lectures & Case Studies:** Introducing best practices using real-world scenarios.
- **Hands-on Workshops:** The core of the course. Participants will work with sample documents, create process maps, analyze aging reports, and design control checklists.
- **Process Mapping:** Using flowcharts to visualize and analyze the P2P and O2C cycles.
- **Role-Playing:** Practicing skills for vendor negotiations and customer collection calls.
- **Group Discussions & Problem-Solving:** Sharing challenges and best practices for common AP/AR issues.
- **Tool Demonstrations:** Overview of how AP/AR automation software and ERP modules work.
- **Action Planning:** Developing practical plans for process improvement.

*(For **Online Delivery**, this will be adapted using breakout rooms for case studies, virtual whiteboards (e.g., Miro/Mural) for process mapping, polls for concept checks, and collaborative spreadsheets for data analysis.)*

Materials Provided:

- Comprehensive digital or printed workbook with key concepts, process flows, best practices, and checklists.
- A "AP/AR Professional's Toolkit" with templates for a Credit Application, Dunning Letters, an AR Aging Report analysis, and an AP Internal Control Checklist.
- Case study documents with sample invoices, purchase orders, and customer data.
- A glossary of key AP/AR and working capital terminology.
- Certificate of Completion.

Detailed Day-by-Day Curriculum

Day 1: The Strategic Role of AP & AR and the Procure-to-Pay Cycle

- **Module 1: The Cash Conversion Cycle & The Role of AP/AR (Approx. 2 hours)**
  - Welcome, introductions, and course objectives.
  - Understanding Working Capital and the Cash Conversion Cycle.

ADEPT TRAINING CENTER

    - The strategic role of AP (managing cash outflow) and AR (managing cash inflow).
    - Key performance indicators (KPIs) for AP and AR at a high level (DPO, DSO).
    - **Activity:** "Mapping the Money" – A high-level visualization of how cash flows through a business.
- **Module 2: The Procure-to-Pay (P2P) Cycle Deep Dive (Approx. 2.5 hours)**
    - Mapping the end-to-end P2P process:
        1. Requisition
        2. Purchase Order (PO) Creation & Approval
        3. Goods/Services Receipt
        4. Invoice Receipt & Processing
        5. Payment & Reconciliation
    - Identifying key stakeholders and handoffs in the process.
    - **Workshop:** Participants create a detailed swimlane flowchart for the P2P process of a case study company.
- **Module 3: Internal Controls for a World-Class AP Function (Approx. 3 hours)**
    - Why controls are critical in AP: Preventing fraud, errors, and duplicate payments.
    - Key controls at each stage:
        - **Vendor Master File:** Segregation of duties for setup and maintenance.
        - **Purchasing:** Proper PO authorization.
        - **Invoice Processing:** The **Three-Way Match** (PO vs. Receiving Report vs. Invoice).
        - **Payments:** Segregation of duties for payment runs and approvals.
    - **Workshop:** Using the process map, participants identify and place key internal controls for the case study.
    - **End of Day 1 Recap & Q&A.**

Day 2: Mastering Accounts Payable Operations

- **Module 4: Best Practices in Invoice Processing (Approx. 3 hours)**
    - Centralized vs. decentralized invoice receipt.
    - Techniques for efficient data capture (OCR, automation - overview).
    - Handling different types of invoices (PO vs. Non-PO).
    - Managing exceptions and resolving discrepancies (price, quantity).
    - The importance of proper general ledger coding.
- **Module 5: Vendor Relationship Management & Communication (Approx. 2 hours)**
    - The AP department's role in maintaining good vendor relationships.
    - Establishing clear communication channels for vendor inquiries.
    - Professionally handling payment disputes and inquiries.
    - Negotiating payment terms and early payment discounts.
- **Module 6: Payment Management & AP Reporting (Approx. 2.5 hours)**
    - Different payment methods (ACH/EFT, check, wire, p-cards) and their pros and cons.
    - Optimizing payment timing to manage cash flow.
    - The process for escheatment / unclaimed property.
    - Key AP reports and metrics: Days Payable Outstanding (DPO), invoice processing time, discount capture rate.
    - **Hands-on Lab (Excel):** Participants calculate DPO and other key AP metrics from sample data.
    - **End of Day 2 Recap & Q&A.**

Day 3: The Order-to-Cash Cycle & Credit Management

- **Module 7: The Order-to-Cash (O2C) Cycle Deep Dive (Approx. 2.5 hours)**
    - Mapping the end-to-end O2C process:
        1. Customer Onboarding & Credit Assessment
        2. Order Entry
        3. Order Fulfillment & Shipping
        4. Invoicing
        5. Collections & Dispute Resolution
        6. Cash Application
    - **Workshop:** Participants create a detailed swimlane flowchart for the O2C process of a case study company.
- **Module 8: The Foundation of AR: Credit Policy & Customer Assessment (Approx. 3 hours)**
    - Developing a clear and effective corporate credit policy.
    - The credit application process.
    - Sources of information for assessing customer creditworthiness (credit reports, trade references, financial statements - basics).
    - Setting credit limits and payment terms.
    - The importance of periodically reviewing customer credit.
    - **Workshop:** Participants create a credit application form and a checklist for assessing a new customer.
- **Module 9: Invoicing Best Practices & Dispute Management (Approx. 2 hours)**
    - Ensuring invoices are accurate, complete, and timely to prevent payment delays.
    - Key elements of a professional invoice.
    - Establishing a clear process for identifying and resolving billing disputes quickly.
    - **End of Day 3 Recap & Q&A.**

Day 4: Mastering Accounts Receivable & Collections

- **Module 10: The Art & Science of Collections (Approx. 3.5 hours)**
    - Developing a structured collections strategy (proactive reminders, timed follow-ups).
    - The collections toolkit: Phone calls, emails, and formal dunning letters.
    - Techniques for professional and effective collection calls: Preparation, tone, and goals.
    - Negotiating payment plans and settlements.
    - Understanding legal considerations in collections.
    - **Intensive Role-Play Workshop:** Participants practice making collection calls for different customer scenarios (e.g., good customer, late payer, disputed invoice).

ADEPT TRAINING CENTER

- **Module 11: AR Reporting & Analysis (Approx. 2.5 hours)**
  - The Accounts Receivable Aging Report: The most important AR tool.
  - Analyzing the aging report to identify risks and prioritize collection efforts.
  - Key AR metrics:
    - **Days Sales Outstanding (DSO).**
    - **Collection Effectiveness Index (CEI).**
  - Estimating the Allowance for Doubtful Accounts.
  - **Hands-on Lab (Excel):** Participants create and analyze an AR aging report and calculate DSO and CEI from sample data.
- **Module 12: Cash Application & Reconciliation (Approx. 1.5 hours)**
  - The process of applying customer payments to open invoices.
  - Handling short payments, deductions, and unapplied cash.
  - Best practices for timely and accurate cash application.
  - **End of Day 4 Recap & Q&A.**

Day 5: Technology, Process Improvement & Your Action Plan

- **Module 13: Technology & Automation in AP and AR (Approx. 2.5 hours)**
  - The impact of technology on AP/AR processes.
  - **AP Automation:** E-invoicing, automated data capture (OCR), workflow automation, e-payments.
  - **AR Automation:** E-invoicing, online payment portals, automated reminders, and collections management software.
  - The role of the ERP system in managing AP and AR.
- **Module 14: Continuous Improvement in AP & AR (Approx. 2.5 hours)**
  - Identifying bottlenecks and inefficiencies in your P2P and O2C cycles.
  - Using metrics to drive process improvement.
  - Building strong partnerships with Procurement (for AP) and Sales (for AR).
  - Best practices for month-end closing procedures for AP and AR.
- **Module 15: Your AP/AR Process Improvement Action Plan (Capstone) (Approx. 2 hours)**
  - **Capstone Workshop:** Participants select either the AP or AR process.
  - Based on their key learnings, they will identify the top 1-2 areas for improvement in their own organization (or the case study).
  - They will develop a practical action plan outlining the problem, proposed solution, key steps, and expected benefits.
- **Module 16: Course Review & Commitment to Action (Approx. 1 hour)**
  - Review of the key principles for world-class AP and AR management.
  - Open forum for final questions and sharing key insights.
  - Participants share one key commitment from their action plan.
  - Course evaluation and closing.

ADEPT TRAINING CENTER