How to Make Your Vendor List More Efficient

You survived another calendar year end! 1099s have been issued, W-2s are out the door, and with any luck you’re back to a normal work day. The next couple of months could be a great time to start spring cleaning in your accounting system. For example, focusing on reducing the list of active vendors and ensuring vendor setup is accurate can bring great benefits to your organization. Usually, those benefits far outweigh the effort it takes to do the clean-up. They include:

- **Boosting productivity** with a smaller, leaner list of vendors
- **Cleaner** and more efficient audits
- **Reducing** the likelihood of duplicate payments
- **Cost savings** by ensuring you’re taking advantage of vendor discounts
- **Increased visibility** into your vendor data and reporting

**Take these steps to start reaping the benefits:**  Watch Video Version

1. **Make unused vendors inactive to minimize vendors in lists and reports.** Making vendors inactive who haven’t been paid for a long time reduces the number of vendors to scroll through when doing data entry. Because Intacct doesn’t have a report for this, using a Pivot table in Microsoft Excel can help you quickly highlight those vendors.

   a. Export to Excel the list of Posted Payments (Accounts Payable > Posted Payments).
   b. In Excel, create a pivot table using Vendor Name in ROWS and Payment Date in FILTERS.
   c. Using the Filters drop down, filter the report for vendors who have been paid in 2014 and 2015.
   d. Highlight the vendors displayed in Yellow.
   e. Place your cursor in column H, row 2 and click the Filter icon to filter the column.
   f. Filter the column of vendors for vendors with no fill (no highlights).
   g. The list of vendors displayed will be vendors whose last pay date is 2013 or earlier.

2. **Identify possible duplicate vendors.** Exporting and searching through data may identify duplicate vendors in Intacct. Rather than look through the name-field for duplicates, the key is searching through several fields such as phone number, tax payer identification number (TIN), email address, etc. Steps:

   a. In Intacct, create a Vendor List view containing the fields you want to use for looking for duplicates.
b. Export the custom view list to Excel.

c. In Excel, highlight a column such as the email address column to look for unique values.

d. On the Data ribbon, click Advanced in the Sort & Filter section. In the Advanced Filter window click the *Unique records only* checkbox.

e. Highlight the records displayed in yellow.

f. Filter the column for all of the records that are not highlighted and you have a list of duplicates. In this example, it would display duplicate email addresses.

g. Once you’ve identified duplicates, you can determine how to handle them.
You can follow this same process for any of the other columns you exported such as the phone number field, address, TIN, etc. If any duplicates are found you can determine how you want to handle them in Intacct.

3. **Cost Savings Using Vendor Discounts.** Too many organizations don’t take advantage of vendor discounts. It is a good idea to review your vendors’ terms occasionally because terms can change and data-input errors can happen when vendors are entered. Taking advantage of vendor-offered discounts can sometimes equate to significant cost savings. Here are some ideas to keep a watchful eye on your vendors’ terms:

   ✓ **Check incoming invoices.** Using an incentive such as gift cards or a small bonus, AP staff are asked to verify the discount on all invoices entered for the month. For each invoice entered, they verify the terms are correct in Intacct. If they find any untaken discounts, they bring it to management’s attention.

   ✓ **Proactively asking vendors for discounts.** Periodically run a list of vendors looking for the top ten vendors paid in a designated time period that don’t currently offer discount terms. Pick two or three likely candidates and reach out to them to see if they will offer the company a term discount. To find your top twenty paid vendors, use the Bills Analysis Graph from the AP reports menu. Select the desired period and group the report by Vendor Name. Select *Top* in the *Show* grouping and enter 1 through 10 for the range.

   ✓ **Review to ensure discounts are taken at the time of payment.** Although you may be entering discount terms in Intacct for vendors, are you taking advantage of them? Reviewing the *Bill Analysis* report you can see if offered discounts are being taken at the time of payment. Be sure to check *Include Payment Details* and select the *Detail* button on the Show line item.
Although this report shows the discounts, it doesn’t tell you if you are missing out on discounts. I’ve created a custom report that will give you that information. Here are the steps in the custom report wizard:

- Report format: Summary
- Data type: AP Bill Payment
- Columns:
  - AP Bill Payment: Amount, Payment Date
  - AP Bill Detail: Base Amount
  - AP Bill: Bill number, Term, Total paid, Vendor ID, When D
- Calculated field: Name is Discount Taken and the Formula is 
  \{APBILLPAYMENT.APBILLITEM.AMOUNT!\} - \{APBILLPAYMENT.AMOUNT!\}
- Sort: Ascending by Vendor ID, Payment Date
- Column Sequence: Vendor ID, Bill number, Payment Date, Term, When Discount, Total Paid, Base Amount, Amount
- Select filters: Using the Term field on the Vendor object, filter on your discount terms

The report will show bills paid and discounts taken. You can then scan the report for eligible bills where no discount was taken.

Keeping your vendors in Intacct well-organized will undoubtedly bring many benefits to your organization. As always, if you need help or want to share ideas, please don’t hesitate to reach out to any of us at Synergy Business Solutions!

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