Workshop #3: Reconciling Invoices: A Step-by-step Guide

This guide is designed to provide you with essential techniques and practical steps to acquire and process your subcontractor or other accounts payable invoices. This guide will also provide guidance surrounding reconciling your credit card transactions and reimbursements.

If at any time you find that you need more thorough Document Flow module instruction you can access our user guides [here](#), or please contact support@hh2.com or your implementation specialist for additional assistance.

AP Vendor Invoices

1. *There is a basic system "workflow" to successfully moving your vendor invoices through the system:*

   - **Step 1 – Document Acquisition/Document Acceptance**: You must acquire (or enter) the document provided to AP for the invoice. This can be done either through:
     - An automated email sync to a specific AP mailbox of your choice, or
     - Through a folder located on your accounting server that is accessible through your network to your accounting team to drop files in for automated sync into hh2 or
     - Manual upload into the *Document Acceptance* menu in your hh2 portal.

     * If you require assistance configuring any of these acquisition options, please contact support@hh2.com.

     Once the document has been acquired through one of these methods you will be able to view it within AP > Document Acceptance within your hh2 portal, depending on your permissions. Once you have the document in Document Acceptance, you will edit the document pages as required and then move the document to the next phase by *accepting* the document(s).

   - **Step 2 – Data Entry/Invoice Precoding:** This stage allows you to code the various data required by your company or accounting system for the invoice to be routed for approval through your custom invoice approval workflows.
     - When looking at a document within Data Entry, you will see there are initially prompted to code the invoice 'Header', which typically includes the vendor, invoice date, payment date, etc.
     - After coding and accepting the header data to your satisfaction, you will be prompted to code the invoice distribution(s) which is where you can specify the subcontract/commitment, job, cost code, etc. if necessary, before routing the invoice for approval.

- o After coding or precoding both the header and the distributions, you can select the appropriate approval workflow and send the invoice through the system.
- **Step 3 – Invoice Approval and Export:** Once an invoice is routed into a workflow from Data Entry, it will go to the necessary approver(s) in the proper order for approval. Users will open the hh2 portal, access their Invoice or Invoice List menu and edit/code and approve invoices that have been routed to them as necessary. Once an invoice is finished being approved, it will be sent to 'Final Review' where an AP manager can review and export the invoice to the accounting system or send it back into the workflow for further review/approval.

2. *What about when something happens during this flow, such as the miscoding of an invoice, or inaccurate approval?*

- When a user miscodes an invoice and the mistake is not caught until just before the invoice is exported 'final review', the AP manager can reject the invoice back to a specific step in the approval workflow, or all the way back to the Data Entry step, where it can be recoded and rerouted for approval.
- When an invoice that has been miscoded or mis-entered has been exported to the accounting system, the only option at this point would be to delete the invoice out of the accounting system, and then contact hh2 support at support@hh2.com to have the invoice rolled back or removed from hh2.

3. *What if I want to pull a report, or view all historic invoices for a specific vendor or job as part of my reconciliation processes?*

- This is most definitely possible. To access historical invoices, you can go about it one of two ways in hh2:
  - o If you are *only* interested in viewing invoices that were processed through hh2, you can access the 'Invoice List' from the AP menu and add filters using the funnel icon at the top to filter by vendor, job, invoice status, or otherwise.
  - o If you are interested in seeing *all* invoices for a specific filter, regardless of whether they were originally processed within hh2 or your accounting system, you can access 'Invoice Inquiry' and add filters similarly to the 'Invoice List' page, by filtering for vendor, job, or other parameters.

Credit Card Transaction Reconciliation/Routing and approval)

1. *There is a basic system "workflow" to successfully moving your credit card transaction/invoices through the system and it is as follows:*

- **Step 1 – Receipt Capture**: To begin the flow, users who are credit card holders will capture an image or scan of their company or worksite credit card receipts from the app or web under the 'Receipts' menu.
  - o They will pre-code, or fully code these scanned receipts with a header and distribution(s) similarly to how you code AP Invoices, but it is important to remember that at the time of receipt capture and coding, these receipts are *not* invoices that can be routed or approved yet.

- Receipts captured/uploaded from the mobile app or the web by a credit card user will be stored in the 'Receipts' menu in hh2 (accessible by each individual user, and all receipts viewable to the AP managers). These receipts do not get approved or exported. In fact, once a receipt is captured, it is waiting for a credit card statement to be reconciled against it, which is what will turn it into an approvable *credit card invoice*.

- **Step 2 – Credit Card Statement Reconciliation:** Depending on each company's policies, this step may occur weekly, biweekly, or monthly. Once able to extract your statement from your credit card company or bank, you will organize or extract it into a .csv file matching the format designated for your credit card import. If you are unsure or need help setting up your credit card import format, this article can guide you through the import and format setup.
  - The biggest issues our clients face with this process is getting the credit card transaction data into the proper format for import. This format is customizable, and can be modified under the Integration Formats menu in AP.
  - Once you import the credit card transactions, hh2's Document Flow system will work to find a receipt for each transaction that matches based on things such as transaction date, amount, card used, etc.
  - Imported credit card transactions become the *credit card invoices* that route in the system for approval, not the receipts. A transaction can be routed without a receipt being uploaded or attached but will indicate a warning that there is no associated receipt as it goes through approval.
- **Step 3 – Invoice Approval and Export:** Once your credit card transactions are imported, they will automatically route through the designated workflow from your configuration for approval, or to Data Entry depending on your settings. From here, the credit card transactions would route and export to the accounting system the same as a normal AP invoice and will make it into the accounting system the same way as a normal invoice. Once a credit card invoice is finished being approved, it will be sent to 'Final Review' where an AP manager can review and export the invoice to the accounting system or send it back into the workflow for further review/approval.

2. *What do I do if a receipt was uploaded after the matching credit card statement transaction was imported? What about if the system simply didn't automatically match the receipt to the credit card transaction that was imported?*

- In these scenarios, you will simply have to manually associate the receipt with the credit card invoice. To do this, you can open the credit card invoice and click on 'More' and then 'Receipts'. From here you will be able to associate a receipt manually to the invoice.
- While technically, receipt images are not required for the credit card transaction to route like an invoice and export to the accounting system as an invoice, it is highly recommended these images are associated to aid in more accurate auditing measures, should your company need.