

## **Document Imaging**

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## **Abstract**

*The Georgia Tech accounts payable payment process was dramatically streamlined by integrating document imaging and workflow management with PeopleSoft's Purchasing and Payables modules. The 1,300 invoices received weekly from any of the 30,000 trade vendors are processed in a timely manner to comply with prompt pay regulations, to ensure eligibility for payment discounts, to maintain positive vendor relationships and to record payments for internal financial reporting.*

*Accounts Payable supervisors can manage outstanding payment requests and redirect workload between team members by reviewing electronic work queues from their workstation. The performance of the pay desk personnel can be evaluated since documents can now be tracked from time of receipt to when the expense is recorded on the general ledger. Invoices can be viewed by several members of the team for collaborative problem solving which expedites payment.*

*The filing process of paper invoices, check requests and travel reimbursement documents was replaced with electronic document storage which has decreased administrative clerical time, eliminated conventional file cabinets and freed up needed space, provided immediate access to supporting documentation and discontinued the need for physically managing and archiving paper documents. With over 8,000 employees in the database, back up documentation for the approximately 450 travel reimbursement requests processed weekly are readily available for internal auditing, responding to customer questions and to comply with state government procedures.*

*By implementing document imaging, workflow and electronic storage, Georgia Tech's Accounts Payable department has increased efficiency, improved the quality of customer service and enhanced document management procedures.*

## **Introduction of the Organization**

The Georgia Institute of Technology is one of thirty-four public institutions of higher education that comprise the University System of Georgia. Tech is one of the university system's four research universities. Tech is an innovative intellectual environment with more than 700 full-time instructional faculty and more than 15,000 undergraduate and graduate students. The Accounts Payable department is comprised of a department manager, two accounting managers, an eight-member vendor payment team, a three-member travel team, a four-member document processing team and a three member accounting team. They process 1,300 vendor invoices and 450 travel reimbursement requests weekly.

## **Statement of the Problem/Initiative**

The ever-increasing volume of paper documents in the Accounts Payable department was becoming a management challenge. One full time position was required to complete the distribution of invoices daily. It was a time consuming manual process. Invoices could not be routed to the appropriate pay desk in a timely manner. The pay desks were dependant on the mail being processed. Each clerk had to match and file each invoice to a purchase order. At least one FTE per day was needed to track down lost or late invoices. The totally manual process required a 100% audit of vouchers and payments each day. Errors were re-routed back to the pay desk for correction. Paper filing could not be completed daily. It was very time consuming and many times a file did not contain all the payment information or was misfiled. An automated system was needed which

would increase efficiency, improve the quality of customer service and enhance our document management procedures.

## **Design**

An RFP for an imaging system was distributed and vendors were selected to present their products. These presentations gave the department the knowledge required to formulate our requirements. Next an RFQ was created, distributed and awarded. The vendor assisted us with the selection of a computer, server and scanner that would be appropriate for their software and our volume of work. We included training, installation and maintenance of the software in the RFQ. The software cost was approximately \$56,000 and hardware cost was \$23,000.

The first step toward internal improvement was to create a document processing team. This team was comprised of reassigned and retrained current employees. No employees lost their jobs with this endeavor. Their first priority was a concentrated effort to design a process to quickly distribute the mail. Invoices were audited and corrected prior to imaging. This new process allowed for all the mail to be distributed completely each day. Invoices were now getting to the pay desks within the day of receipt.

The approved invoice is checked for approval accuracy prior to being prepped for imaging. The invoices are grouped in batches for scanning. They are indexed by vendor alpha and department identification number and then routed to the appropriate pay desk work queue. The pay desks are arranged alphabetically.

The pay desk creates a voucher from the imaged invoice. The clerk can organize their work queue by date received. Once the voucher is created, it is linked to the image, which creates the remaining indexing information. There is no paper filing.

## **Implementation**

The implementation process proceeded rather quickly. The reorganization to create the document processing team began while the RFQ was being evaluated. We created a document processing area with long worktables, rolling file carts and a mail sorting area that is near the door where the mail is delivered. Once the vendor was selected we purchased the hardware. The vendor loaded the software on the computer and delivered it to our site. On site installation and training by the vendor took one week. The vendor has revisited our facility when the product was upgraded.

The pay desk clerks were trained on viewing the image instead of the paper invoice. This proved to be the most challenging part of the implementation. We did purchase large 21-inch monitors for each pay desk to maximize the viewing area. Once the pay desk clerk was proficient at navigating the image, the processing time became faster than when they were using paper.

## **Benefits**

The Georgia Tech accounts payable payment process was dramatically streamlined by integrating document imaging and workflow management with PeopleSoft's Purchasing

and Payables modules. The 1,300 invoices received weekly from any of the 30,000 trade vendors are processed in a timely manner to comply with prompt pay regulations, to ensure eligibility for payment discounts, to maintain positive vendor relationships and to record payments for internal financial reporting.

Accounts Payable supervisors can manage outstanding payment requests and redirect workload between team members by reviewing electronic work queues from their workstation. The performance of the pay desk personnel can be evaluated since documents can now be tracked from time of receipt to when the expense is recorded on the general ledger. Invoices can be viewed by several members of the team for collaborative problem solving which expedites payment.

The filing process of paper invoices, check requests and travel reimbursement documents was replaced with electronic document storage which has decreased administrative clerical time, eliminated conventional file cabinets and freed up needed space, provided immediate access to supporting documentation and discontinued the need for physically managing and archiving paper documents. With over 8,000 employees in the database, back up documentation for the approximately 450 travel reimbursement requests processed weekly are readily available for internal auditing, responding to customer questions and to comply with state government procedures.

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## **Retrospect**

We learned valuable lessons about people, processing and equipment. Don't underestimate the learning curve. Allow for enough time to train you staff so they feel comfortable with the change in processes. Give staff plenty of time to practice with the new system.

Creating a separate document processing area was a very good decision. It provides a more efficient processing area, improves workflow and allows for increased productivity through cross training.

By auditing the invoices prior to scanning we have fewer exceptions and have eliminated the 100% daily post voucher audit.

Large monitors were worthwhile investments. They enhanced the "buy-in" of our staff. Purchasing a high quality scanner that meets or exceeds your estimated requirements will prove to be a good investment that will last many years.

In conclusion, the ability for the financial staff to immediately view an invoice at any stage in the payment cycle has been a terrific benefit. It permits real time customer service, immediate research capabilities and instant document retrieval all from the convenience of the individual's desktop.