

Uncomplicating Account Payable

From long-established methods of paper check payments to electronically powered payment techniques, accounts payable has come a long way in the financial industry. A survey by the Association of Financial Professionals, however, states that the overall B2B payment transactions that go by paper checks make up as much as 51 percent of all payments, which translates to over 4 to 5 billion checks being printed and mailed annually. Paying by check inherently comes with its own set of challenges that includes loss of early cash discounts from the vendors, poor reporting for vendor spend, an inflated team of account payable clerks, and others. On the other hand, electronic payments are an excellent alternative to the check payment as they are cost-effective, faster, and secure, but it is not without friction. Electronic payment by ACH requires payers to collect the bank accounts and routing numbers of each supplier and acquiring permission to credit money into their account; or when payment is made by credit card, there are still thousands of phone calls and emails required to enroll the payees into the program. This is where OnPay Solutions can complete payment automation via their platform OnPayConnect, which allows businesses to on-board vendors and suppliers for an electronic payment program and then manage all of their payments effortlessly. “In cases where clients started with 100 percent check-based A/P, we quickly converted 80 percent of their paper to ePayments, helping them realize cost savings and providing immediate ROI,” remarks Neal Anderson, CEO of OnPay Solutions.

The company’s payment platform, OnPayConnect is a SaaS application that interfaces with almost all accounting and ERP systems. The application matches up a customer’s payment file with the vendors in the OnPayConnect Vendor marketplace, enabling payers to initiate money transfer to each vendor or supplier. Payments that go via virtual credit cards, generate cash rebates.



In cases where clients started with 100 percent check-based A/P, we quickly converted 80 percent of their paper to ePayments, helping them realize cost savings and providing immediate ROI

As a distinguishing factor in this application, OnPayConnect’s Vendor Marketplace allows vendors to self-



Neal G. Anderson

register for ePayments; select their preferred transfer type such as credit (virtual card), ACH, wire transfers or even register for a check, allowing them to control incoming electronic payments, but, importantly, taking that burden off of the payer’s accounts payable department.

Reporting is very robust for both payers and payees. OnPayConnect provides the payers a full audit trail of payments made. On the vendor side, the application offers the complete remittance details for every transaction allowing them to know precisely what invoices were cleared by incoming payments. They can even download data to quickly clear the invoices and apply the cash.

Providing transparency and control is one of OnPayConnect’s unique offerings. For instance, the payers can configure the solution to notify the CFO about the payments above a certain dollar amount, and only after his or her approval, the money is paid. Also, OnPayConnect provides complete transaction security for the clients who want to pay their vendors through credit card. The clients can provide vendors with a one-time-use virtual credit card number which is tagged to a single invoice or a collection of invoices. And once the vendor receives the card and processes it, the card number disappears from the Mastercard system never to be used again. “Virtual Card is a very effective and secure payment,” quips Anderson.

Looking forward, OnPay Solutions is seeking to use blockchain technology to deliver remittance status and provide sophisticated security for the transactions. Also, as cryptocurrencies are hitting the mainstream payment process, the company plans to adopt them as additional payment modes. **CT**