

Process of Vendor Bill Payment

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ABSTRACT

The purpose of this study is to find out the vendor bill payment process, to find out the obstacles during the vendor bill payment process and to find solutions in dealing with obstacles during the vendor bill payment process. The research methodology used is Qualitative Descriptive which aims to describe the conditions and analyze the vendor bill payment process. In this study, data relating to the author's study are sourced from library studies, field studies, and documentation techniques. The results of the research on the Vendor Bill Payment Process are as follows: the vendor bill payment process at the company has been going well, starting from receiving Purchase Orders (POs) by finance staff and from purchasing staff to the finance & accounting director's signature on demand deposits and Multipurpose Forms. (FM) as an approval, payment will be made, and payment will be made by the finance supervisor. Constraints that occur during the vendor bill payment process can be overcome by fairly good solutions to the obstacles encountered, ranging from problems when receiving documents provided by purchasing staff, which are often not in accordance with the attachments or incomplete documents, staff inaccuracies. finance at the time of data input, the lack of information obtained regarding the presence of new employees or vendors, and the use of systems that have not been effective. The company's solutions to problems during the vendor bill payment process have been able to resolve existing problems in accordance with the stages of the bill payment process, but require cooperation from the relevant divisions.

Keywords: Process, Bill Payment, Vendor

1. INTRODUCTION

In this modern era, the development of world globalization and cooperation in all fields is growing very rapidly. A company always strives so that the company can develop continuously and achieve organizational integration. One of the impacts felt as a result of these developments is in the economic sector. The policy direction in the economic sector is to accelerate sustainable economic recovery, which is prioritized based on the people's economic system, carried out among others through economic development.

The company is an organization developed by a person or group of people with the aim of producing various types of goods and services needed by the community. Economic activities that can be carried out by companies in economic development include consumption, production, and distribution activities.

In carrying out its economic activities, as a responsible company, it continuously improves the efficiency of the company, especially increasing cooperation with vendors and partners. Vendors are third parties who are producers of company materials who will receive payments as fulfillment of obligations from transactions for procurement of goods or services. Vendors have a fairly large role in terms of procurement of goods or services, in order to meet the company's needs in carrying out company activities. Therefore, the company tries to fulfill its responsibilities to vendors or partners, namely in paying vendor bills. However, in reality the vendor bill payment process has several problems, especially the incompleteness or error of the documents provided by the vendor as a billing tool, inaccuracies in data input, filling supplier's code related to new employee data, inputting data on

systems that are still manually and incomplete data at the time of printing the journal, and new vendors who do not include account numbers.

The company has a Finance Division which is responsible for managing and making bill payments to vendors. In making vendor bill payments, a process is needed. The process in paying vendor bills must be able to show a clear flow, to control cash disbursements so as not to deviate from the regulations set by the company. Based on the background described above, the author takes the title "Vendor Bill Payment Process".

2. LITERATURE REVIEW

a. PROCESS

According to Kamaruddin Ahmad (2013:10) the meaning of the process is as follows: "The process is defined as management control which consists of the organizational structure, authority, responsibility and conception of information to facilitate the implementation of control and a process or set of actions taken to ensure that the organization works to achieve purpose".

According to Keith M. Eades (2010: 9) explains that: The process is a series of systematic steps or stages that are clear and can be taken repeatedly, to achieve the desired results. According to Berni Gomulya (2009:30) explains that: The process is a collection of interrelated activities that are carried out based on a series of procedures to achieve a certain goal.

b. PAYMENT

According to the Big Indonesian Dictionary (KBBI) defines that payment can also be called paying is buying goods with money.

Meanwhile, according to the official website at www.landasanteori.com, "Payment is an activity of transferring funds to fulfill an obligation arising from an economic activity. Payments occur every day, involving thousands of diverse economic transactions, such as buying and selling of goods and services, buying and paying off credit, involving billions of rupiah with various payment instruments such as cash payments in currency, checks, bilyet giro, money orders, and others. "

c. PAYMENT PROCESS

According to Yudhistira (2009:11) defines as follows: "The payment process occurs when a transaction occurs, which is between the seller and the buyer. When a seller offers goods to the buyer and the buyer feels interested in the goods he offers.

d. BILLING PROCESS

According to Romney and Steinbart (2006:426-429) the bill payment process can be interpreted as the last activity in the expenditure cycle related to the payment process to vendors.

The vendor bill payment process consists of two stages, namely:

1) Payment approval for Supplier Invoice

The obligation to pay suppliers arises when the goods are received. But in practice, most companies record debts when they receive invoices from suppliers. The essence of this stage is to authorize that payment is made only for goods or services that have actually been ordered and received by matching the purchase order with the receiving report. There are two ways to process customer invoices, namely:

a) Non-voucher System

Each approved invoice is posted to the data of each supplier in the debt file and stored as an open-invoice file and when a check is issued for invoice payment, the invoice will be deleted from the open-invoice file marked as paid and will be stored in the paid-invoice file .

b) Voucher System

There is a document called a disbursement voucher, which is a document that proves cash disbursements to pay off debts to suppliers. It contains information on the supplier to be paid, a list of outstanding invoices, and the nominal amount to be paid. The advantages of having a disbursement voucher are:

(1) Employees can reduce the number of checks that must be written because several invoices can be combined in one voucher.

(2) Disbursement vouchers are documents that are generated so that the documents are sorted and make it easier to trace all debts.

(3) The voucher provides a record that the customer's invoice has been approved for payment so as to allow the separation of time from invoice approval to the time of invoice payment. This makes it easier to schedule both activities to increase effectiveness.

2) Payment of approved Supplier Invoice

This stage is the last stage in the expenditure cycle, namely payment of approved bills, usually carried out by the cashier unit and distinguished from the recording division (purchases and accounts payable) and the goods receiving unit. At this stage, all invoices that have been matched and approved will be issued a payment voucher. The essence of this stage is how to determine the time of payment in order to take advantage of the discounts offered from debt payments and the provision of cash for payment when the debt is due. If the debt has been paid off, the accounts payable records will be updated.

3. RESEARCH METHOD

The type of research used is descriptive qualitative research. Descriptive qualitative research is research that is used to analyze data by describing or describing the data that has been collected properly without intending to make generally accepted conclusions or generalizations (Sugiyono, 2012). According to Mukhtar (2013:10) descriptive qualitative research method is a method used to find knowledge of research subjects at a certain time. The author in this study uses descriptive qualitative research because researchers want to know and get depth of information related to the topic (Sugiyono, 2012)

Data collection techniques in this study are observation and interviews. Observations in this study are participant observation. Interviews in this study, namely through semi-structured interviews, the interviewer has prepared a topic and a list of interview guide questions before the interview activity is carried out, researchers need to explore further a topic based on the answers given by participants. Data collected from interviews with informants

The data analysis model in this study follows the concept of activities in qualitative data analysis carried out interactively and continuously at each stage of the research until it is complete. The components and data analysis in this study are:

1. Data reduction.

The data obtained from the report is quite large for that it needs to be recorded carefully and in detail. Reducing data means summarizing, choosing the main things, focusing on the things that are important, looking for themes and patterns.

2. Data Presentation

After the data is reduced, the next step is to display the data. In qualitative research, the presentation of data can be done in the form of a short, chart, relationship between categories, and with a narrative text. By displaying the data, it will be easier to understand what happened and plan further work based on what has been understood

3. Verification or Data Inference

The initial conclusions put forward are still tentative, and will change if strong evidence is found to support them at a later stage. However, if the conclusions put forward at the initial stage are supported by valid and consistent evidence when the researcher returns to the field to collect data, then the conclusions put forward are credible conclusions.

4. RESULTS AND DISCUSSION

a. VENDOR BILLING PROCESS

The mining company vendor bill payment process has the following stages:

1) Receipt of Purchase Order (PO), finance staff get a bill in the form of PO from purchasing staff.

Purchase Order (PO) is an order letter issued after an agreement based on a Quotation (offer) occurs. This letter is very important because it contains a commitment from the customer. If at a later date when we have delivered the goods or completed the service and the customer denies it, then this purchase order can be evidence. The purchase order usually also details how the stages of payment are made.

2) Checking Purchase Order (PO)

The finance staff checks the purchase order whether the attached documents are in accordance with the data contained in the purchase order and whether the document is in accordance with the applicable provisions, if it is appropriate then the purchase order is accepted by signing the receipt book and giving the received stamp on the purchase order. If not, then the purchase order is returned to the purchasing staff to be revised or completed with complete data.

3) Input Purchase Order (PO) in transaction recap data and debt recap

Finance staff record purchase orders in excel transaction recap and debt recap.

4) Making Payable Vouchers (PV)

The making of payable vouchers is done by finance staff, the data listed on the payable voucher is based on the data in the debt recap. Payable vouchers are combined with purchase orders at the top position.

Payable Voucher (PV) is a voucher that contains a description of the goods/services and the total price to be paid, stating that the company has a debt to the vendor for transactions that have been made previously.

5) Filling in the supplier's code on the Payable Voucher (PV)

The finance staff submits the payable voucher to the accounting staff to fill in the supplier's code. If it has been filled in, the payable voucher is returned to the finance staff.

The supplier's code is a code for the vendor for the activities that have been carried out. This supplier's code serves to facilitate the search for vendors and avoid errors during payments because each vendor has its own code.

6) Input the supplier's code on the debt recap data

The finance staff input the supplier's code on the debt recap data.

7) Input tax (PPh)

If the payable voucher contains tax (PPh) then the finance staff submits the payable voucher to the tax staff to input the tax in the tax recap data, and the payable voucher is signed by the tax staff as a sign that the tax payable voucher has been inputted. If the payable voucher does not contain tax (PPh), then the payable voucher can be submitted directly to the finance supervisor.

8) Budget entry

Finance staff submits payable vouchers to the finance supervisor for budget data entry. If it has been entered, the payable voucher is handed back to the finance staff.

Budget is a work plan that is made systematically for all business activities, within a certain period of time and is expressed in units of money. The budget includes all the company's operating activities in an effort to achieve the main goal of profit, which involves all parts of the company, such as the production department, marketing department, finance department, and accounting department.

9) Submission of PV+PO (Payable Voucher+Purchase Order) to accounting

The finance staff submits the payable voucher to the accounting staff using a receipt.

10) Checking Payable Vouchers (PV)

The accounting staff checks the payable voucher whether the payable voucher data is in accordance with the purchase order and its attachments, if it is appropriate then the payable voucher is received by signing a receipt.

11) Journaling,

The accounting staff makes a journal, the journal is combined with the payable voucher at the top position.

The journals made are Journal vouchers (General Journal) and Payable Journal Vouchers. Journal voucher (General Journal) is a journal of expenses on deferral of debt (accrued). While Payable Journal Voucher is a journal of debt for a transaction.

12) Approval accounting deputy manager and accounting manager on journal

The accounting staff submits the journal + PV (payable voucher) + PO (purchase order) to the accounting deputy manager and accounting manager for checking and approval.

13) Submission of journal+PV (payable voucher)+PO (purchase order) to finance

Journal + PV (payable voucher) + PO (purchase order) which has been approved by the accounting deputy manager and accounting manager is submitted to the finance staff by the accounting staff using a receipt.

14) Journal checking

Finance staff checks whether the data is appropriate between the journal and the payable voucher. If so, the document is received by signing a receipt.

15) Approval Finance Supervisor at PV and Finance & Accounting Director at journal

Finance staff submit documents (journal + PV + PO) to the finance supervisor for checking and approval on the payable voucher. If it has been approved, the finance supervisor submits the document to the finance & accounting director to check whether all the documents are correct and appropriate. If so, then the document is approved and the document is submitted back to the finance supervisor.

16) Making demand deposits and multipurpose forms

The making of demand deposits and multipurpose forms is carried out by the finance supervisor. Demand Deposits and Multipurpose Forms (FM) function as tools to make payments to vendors whose payments are due.

17) Approval Finance & Accounting Director on current accounts and FM

The finance supervisor submits the current account and FM to the finance & accounting director for approval by signing the current account and FM, this request for approval states that the bill is ready for payment.

18) Payment

After getting approval from the finance & accounting manager, the finance supervisor makes payments.

OBSTACLES IN THE MINE COMPANY VENDOR BILLING PROCESSING

During the payment process, employees often have problems, including:

- a. At the time of receipt of a purchase order, sometimes the data does not match what is attached or the data attached is incorrect.
- b. Inaccuracy when inputting data in the recapitulation of debt and transaction recapitulation resulted in errors when making payable vouchers. This is due to employees not focusing because of fatigue.
- c. At the time of filling out the supplier's code, the accounting staff who fills in of course rely on the data contained in the payable vouchers and purchase orders and attachments, but sometimes the items ordered are requests from new employees, so that the accounting staff have difficulty when filling in the department code.
- d. The company's journal making uses a system called the SUN system, data input is still manual, that is, all input data columns are filled manually without any options or history that can speed up employee work and often when printing journals, the data that has been inputted is not printed, For example, purchase order numbers and invoice numbers.
- e. The use of the typeface when making payable vouchers, namely Microsoft Sans Serif, makes it difficult for employees to distinguish numbers, especially the numbers 6 (six) and 8 (eight) which look very similar.
- f. There are new vendors who often do not include account numbers so that the bill cannot be processed for payment.

SOLUTIONS DONE TO OVERCOME OBSTACLES IN THE VENDOR BILLING PAYMENT PROCESS

In dealing with problems during the vendor bill payment process, the solutions are as follows:

- a. Incorrect or incomplete documents are immediately returned to the purchasing staff for revision or completeness of the data. Purchasing staff will contact the vendor directly for the suitability of the document. For tax invoices whose number is less than 16 (sixteen) digits, the finance staff will notify the vendor to attach a letter from the tax directorate.
- b. The company prepares a pantry, for employees to rest while eating or drinking, this is intended so that employees feel comfortable while working so that they can improve the quality of work.
- c. Every time there is a new employee, the HRD staff will announce the new employee via email, along with a complete identity regarding the name, position and place of employment.
- d. The accounting staff will write a manual in the journal whose data is not printed, for the system itself there is no solution.
- e. The typeface at the time of making the PV was changed to Arial Unicode MS, so that the printed letters/numbers were clearly different from other letters/numbers.
- f. To get an account number from a new vendor, the purchasing staff will call or send an email to the vendor.

5. CONCLUSION

Based on the author's analysis of the vendor bill payment process at the company and based on the discussion described in the previous chapter, the authors draw the following conclusions:

- a. The payment process for vendor invoices at mining companies has been going well, starting from receiving Purchase Orders (PO) by finance staff and from purchasing staff to the signature of the
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- finance & accounting director on demand deposits and Multipurpose Form (FM) as an approval for payment, and payments are made by the finance supervisor.
- b. Constraints that occur during the vendor bill payment process can be overcome by fairly good solutions to the obstacles encountered, ranging from problems when receiving documents provided by purchasing staff, which are often not in accordance with the attachments or incomplete documents, staff inaccuracies. finance at the time of data input, the lack of information obtained regarding the presence of new employees or vendors, and the use of systems that have not been effective.
 - c. The company's solutions to problems during the vendor bill payment process have been able to resolve existing problems in accordance with the stages of the bill payment process, but require cooperation from the relevant divisions.

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