

Developing Your Plan

QUESTIONS & ANSWERS

What will you need and for how long?

We need only enough space for our reviewer/s to work. This space can be very temporary facilities such as a boardroom that is not being used to an empty office where we put up card tables. The key point is that it is important to have access to a phone/fax and copier. The length of time on the A/P Review depends on the file system, number of files, and the lost profits we are recovering for you.

OTHER QUESTIONS

1

What about the confidential files and information?

This business is done by professional accountants whose code of ethics pledge that your files will remain strictly private and confidential. The accountants comply with the AP Chexs' *Data Security Policy*. Our clients can directly upload their A/P, technical and organizational data to a secure website address. Another option is to give the on-site reviewer one of the client's own computer or laptop with read-only access to the data.

2

Does AP Chexs take any records off site?

In order to maintain confidentiality of your records, all files are reviewed on site. The Reviewer works on site and only works the regular business hours of the company. Our business is based on professional responsibilities to the client. We cannot afford to have any violation of your trust.

3

What if we find a problem in the A/P system?

If AP Chexs finds a problem in your payable system we will let you know immediately so that action can be taken to correct the problem. Weekly meetings and advanced agendas are given to notify you of weekly results.



4

How much are we involved?

Your involvement will be to have someone from each geographic area we cover attend a 20 minute long pre-review meeting to acquaint our people with your system and the physical layout of the files, fax, phone and copier locations. We have found it is just as important to you as it is to us to form a business strategic partnership for improvement in your A/P system. When we find an overpayment, AP Chexs prepares charge-backs with appropriate documentation. Thereafter the Reviewer/s meet weekly with a designated contact person to provide findings updates and to get permission to contact vendors for verification. When permission is granted at our weekly claim approval meetings, permission to contact vendors for verification. When permission is granted at our weekly claim approval meetings, AP Chexs then sends documentation to the vendor for the verification and seeks payment by cheque, credit memo, debit memo or good in lieu of money owed. At review end, there is a presentation meeting for the **Management Report**.

One of our regular clients with accounts payable of \$2.5 billion advised us that during an audit, they designated one staff person to answer questions or assist with research. At the end of the review, the dedicated about 10% of one staff person's time to deposit cheques, track and assist with collections and research. Also, at Review end, they devoted two full weeks to the task of reviewing all A/P Chexs' paperwork. The time commitment for your associates will depend on quantity of findings, and how involved your company wants to be in the process.

5

Does AP Chexs take care of correspondence with vendors?

With your permission we take care of vendor contacts under your company's name relating to recover our findings that you have approved. Our professional people's core competency provides them with the skills in the art of vendor interface and can handle all correspondence in a timely and knowledgeable manner while always being businesslike and courteous to your vendors.

6

How experienced is AP Chexs and the people who will be on site?

All the reviewers at AP Chexs have a professional designation, have at least 15 years experience, and have been in a senior accounting position of ownership. Everyone that is contracted by AP Chexs has to attend training programs on a regular basis.



7

Does AP Chexs work on the premises?

We work only at the client's place of business. We have also had to work at a storage site where archived files have been sent.

8

How many people will be on site?

Most of the time only one person is on site. We have found that at many locations space is at a premium and using the one professional is the most efficient way to handle the work.

9

Is there any sense of urgency about when we (the client) should get AP Chexs to do the *Accounts Payable Review*?

Yes, there are several important issues to consider. The Statute of Limitations may be running out on tax issues (ex. GST trying to move overpayment ruling to 2 years from 4). The sooner the *A/P Review* begins, the sooner lost profits can be recovered. AP Chexs cannot predict when one client's review will begin and when the next review will start. There is usually a 2 to 3 week window. Due to scheduling and the number of personnel we build a work schedule based on a first come first serve review agreement signed basis.

10

How many years of A/P does AP Chexs review?

For new clients, we perform a four-year review that starts with the most recent year (eg. 2014) and work back into the previous three years (eg. 2013, 2012 and 2011). Our long-time clients established a proactive approach with regular reviews of all divisions. Other clients whose divisions are industry diverse have developed rotating reviews based on factors such as special projects, staff or tax changes impacting specific divisions. AP Chexs also offers on-going forward-looking vendor credit recovery reviews. For tax reviews, our clients have requested taking advantage of the 4 year ruling on GST and going into 2011 for overpayments.

11

Does AP Chexs file everything back?

All client files are returned in the best possible order. Clients have told us that they would have hired us to clean up the files system, as the files were left in a better condition after the review.



12**How does AP Chexs know if the vendor claims are collected?**

During the follow-up claim approval meetings our people, working with the contract signer or designate will be informed that current payments for deduction or credit memos, deposit records for refunds, and purchasing for goods in lieu of overpayments against a charge-back have been completed. As professionals in this field our fax/phone methods have received an average of 97% charge back returns.

13**Who keeps track of the charge-backs?**

At the end of each site review of the A/P files we provide an agenda of probable recoveries that have been found and documented. The contract signer or designate verifies these probable recoveries for claim. We then begin the process of collection and the overpayments are returned by the supplier directly to the client in the form of a cheque or other refund. At the end of the review a complete summary of the charge-backs are made, listing all the items still to be collected, plus a mini-management report on all the charge backs and claim codes, identified in each category and vendor listing.

14**How much follow-up does AP Chexs do?**

After the A/P Review is completed the senior reviewer will check with you on a regular basis to handle any further follow-up required. We also will go over the mini-management report dealing with all found observations and suggestions.

15**What accounts payable do you look at?**

AP Chexs performs a 100% review of every supplier and every accounts payable record provided to us by the client. AP Chexs requires read-only access to your ERP and payment system to look at all the accounts payable. This will include contracts, capital expenditures, consulting service agreements, utilities, freight, expense items, taxes (eg. commodity, sales & use, VAT), and any item that would cause a cheque to be written (Except payroll, expense and intra-company accounts), etc.



16

What expertise do you have on suppliers?

We offer a Vendor Credit service that continually monitors and concentrates on vendors' data, rather than concentrating on the internal data of our clients, and is conducted without the need of onside auditors. With this approach and thorough research that drives far deep into our client's vendor base we are able to identify, document, and recover lost profits that have been misplaced in day-to-day business transactions.

17

What if you find fraud or collusion?

We will immediately notify you of any finds and suspicions. We will work with you according to your desires to resolve the situation. Everything is handled very discreetly and professionally.

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How much do you find?

As professionals whose core competency is Accounts Payable Reviews, we always will find something. How much depends on a number of variables that need to be gone over either with an initial computer examination or by physically going through every file.

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How does the company get their money back from the vendor?

You will receive a refund cheque, a credit memo, an invoice deduction from a current invoice, or goods or services in lieu of refund.

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How is AP Chexs paid?

There are no initial fees. AP Chexs charges a fee which is contingent upon successful results, and is a percentage of the recovered monies. When you receive the monies recovered from overpayments, we will invoice, but not until AP Chexs is paid when you get paid.