CASE STUDY

System Changes and Consolidations

Scenario

During a standard Procure to Pay review, SpendMend reviewed aged open credits of which the Health System had yet to receive cash benefit. The Health System had undergone a long period of consolidations with other health systems and hospitals. Due to the age and complexity of many of the dated credits, Health System management doubted the validity of many of the credits. SpendMend began a comprehensive effort to not only validate the open credits but also ensure cash benefit was received for the Health System.

Findings

SpendMend reviewed credits of approximately $2.2m in credits. After contacting vendors to ensure the validity of the credits, SpendMend worked with the Health System to realize the money due the organization. SpendMend secured vendor refund checks where appropriate, collected outstanding invoices not included in the ERP system which were due the vendor, and provided journal entry uploads to the Health System moving credits to entities/remits where more payable volume was occurring. Additionally, if the credit was no longer valid, SpendMend provided detail along with a journal entry upload to the Health System as to why the credit should be removed thereby improving the accuracy of the financial statements.

Result

SpendMend allowed the Health System to realize $1m of the aged credits. The remaining credits were determined to be invalid and were removed from the ERP system. The project not only improved the working capital of the Health System, but also provided confidence as to the vendor balances contained in the ERP system. By providing the related journal entry uploads and utilizing our extensive vendor relationships, SpendMend was able to achieve these results autonomously to the delight of the Health System.

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