

# BOOKKEEPING TIPS

The twice monthly e-letter  
for professional bookkeepers

The American Institute of Professional Bookkeepers

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From time to time, *Bookkeeping Tips* may bring you special partner offers that we think will be of interest to you.

## IMPROVING PURCHASE CONTROLS

Here's an easy way to improve your company's/client's purchase controls:

1. Make a list of approved vendors. To create this list, start with all the vendors your firm has done business with within the last 12 months. Next to each, indicate whether its products and services were satisfactory, any problems the firm had with it, how serious each problem was, and how each problem was resolved. Review your draft with the appropriate manager or executive to determine which vendors should be on the approved list.
2. Track and rate vendor performance. Vendors are as interested as you in how they are doing. To monitor vendors, create this rubber stamp:

Delivery	<input type="checkbox"/> As requested
	<input type="checkbox"/> Late
Prices/Terms	<input type="checkbox"/> As expected
	<input type="checkbox"/> Different
Quality	<input type="checkbox"/> Good
	<input type="checkbox"/> Rejected
Initialed by	_____

Rubber-stamp each purchase order and check off the boxes. Make a copy of each stamped purchase order for your "Vendor File," which will be your record of vendor performance.

3. Have only one employee track deliveries—office manager, whomever opens the mail or someone else—to avoid disputes with vendors about receipt of shipments.
4. Make sure forms are prenumbered. If receiving reports and purchase orders

are numbered, it's easy to account for each one, including voids and missing numbers.

5. Create a mini-“Purchase Library”—simply a file drawer or bookshelf of vendor catalogs, price lists and brochures. Keep a second set in your reception area and ask sales reps who visit for a copy of their latest catalog.
6. List authorized signatures. Even the smallest firm must know who has authority to order which goods and services at what levels—e.g., the president, unlimited; VP to \$5,000; office manager to \$500. Update the list annually.

Our mission as the American Institute of Professional Bookkeepers (AIPB), your professional association, is to raise bookkeepers' professional status. We do this in a number of ways, including:

- ✓ making sure members are up to date by giving them a monthly briefing on changes in bookkeeping, tax, recordkeeping, reporting and other news in *The General Ledger* ([www.aipb.org/general\\_ledger.html](http://www.aipb.org/general_ledger.html));
- ✓ offering a national certification for bookkeepers that is now required for an Associate's Degree in Accounting (AA) at some community colleges;
- ✓ providing low-cost continuing professional education for bookkeepers
- ✓ having a free telephone AnswerLine for members to get on-the-spot answers to everyday bookkeeping and payroll questions.

Upon joining, we bring you up to date with 3 free reports, including “21 Key Bookkeeping Changes in Current Tax Laws.” For details on the other 2 free reports and membership benefits, go to ([www.aipb.org/member\\_benefits.html](http://www.aipb.org/member_benefits.html)).

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