

Automation of Accounts Payable

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Interns | Finance Department

Introduction

- To optimize the Wright Center for Graduate Medical Education's capability to pay vendors, it is ideal to automate the accounts payable process
- The first process in the accounts payable system is purchasing and receiving a good or service from a vendor. An invoice is then sent by the vendor and must be paid by the due date or a fee for an outstanding balance will occur
- After receipt of the invoice, it must be matched to respective receipts and connected to specific general ledger accounts through codes
- The invoice must be approved for payment by a designated supervisor and sent to the finance department via email
- The invoice is then paid before the due date and a transaction is recorded

Methods

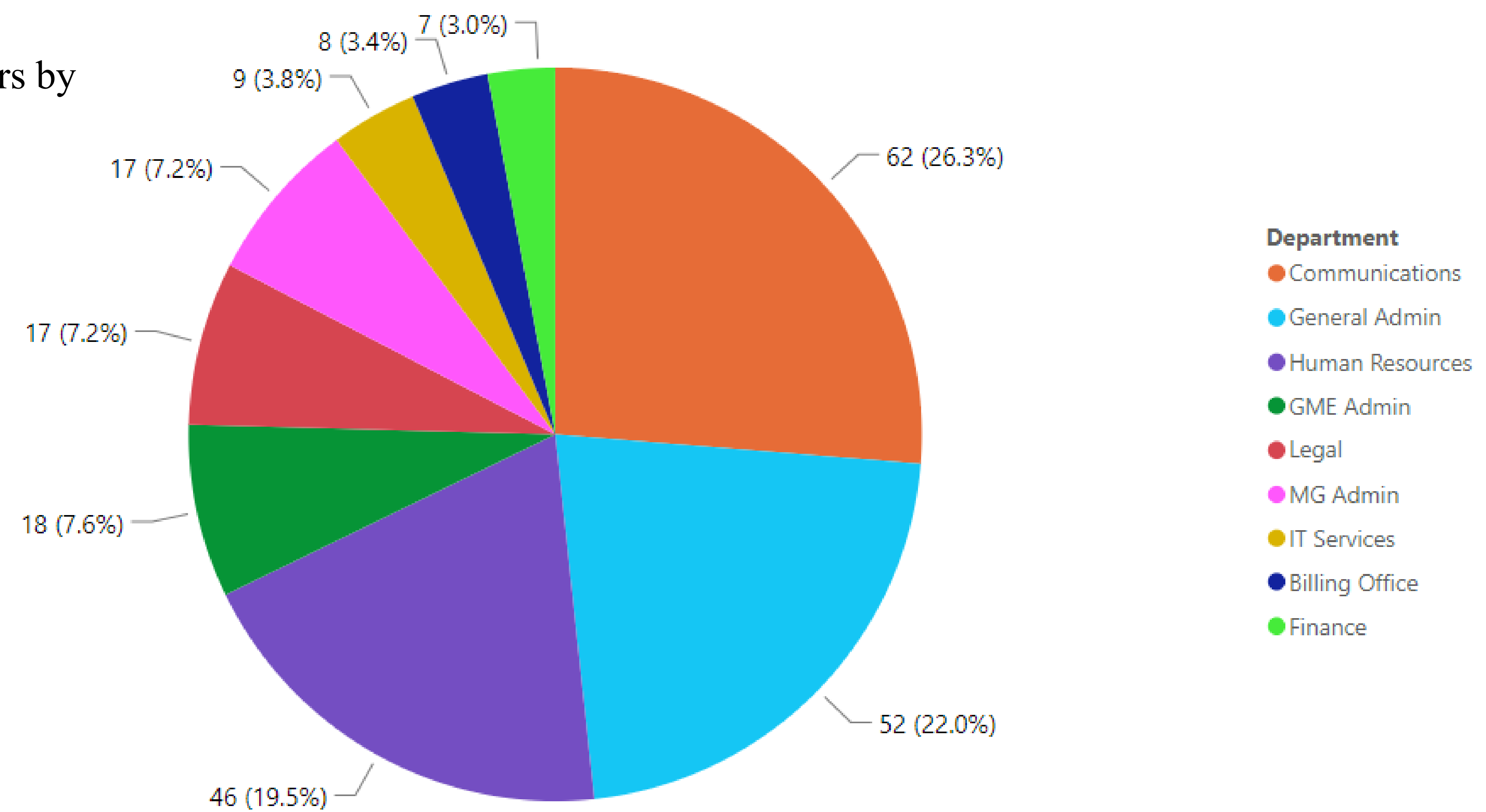
- A reduction of time between the receipt of an invoice and approval will increase the ability for The Wright Center to pay vendors in a timely manner
- Due to the files being scanned and saved in a quick-retrieval-style format, we have to extract the data from these files and create a central database consisting of vendors and their appropriate coding and approvers
- A database was built by using data mining techniques to extract and clean the data
- The data was then partitioned into subsets that had multiple GL and department codes
- A machine learning algorithm will recognize when an invoice comes in based on vendor, due date, billing period, document number, address, and description
- The algorithm will make a decision in real time on which approver it should be sent to for verification and which coding to utilize

Discussion

- 137 vendors were coded to multiple departments, 29% of which were coded to three or more departments
- Of the 97 vendors coded to just two codes, 68% were coded to CMS, the Internal Medicine Residency. Of those 66 vendors, 65 were residents utilizing the CME program
- For all 65 of those resident vendors, the second department the expenses were coded to was one of the teaching health center (THC) grants awarded to TWC, illustrating proper utilization of funding

Results

Percentage of Vendors by Department



General Ledger Account	Billing Office	Communications	Finance	General Admin	GME Admin	Human Resources	IT Services	Legal	MG Admin	Total
Advertising Expense	14.29%	15.25%		2.13%						5.19%
Audit fees				2.13%	6.67%				9.09%	1.42%
Background Check Expense						25.58%				5.19%
Cell Phone Expense						4.65%			27.27%	2.36%
Conference				14.89%		2.33%		6.67%		4.25%
Consultant fees			14.29%	12.77%	6.67%	2.33%		13.33%	9.09%	5.66%
Insurance Expense				2.13%	6.67%					0.94%
Legal fees				4.26%	6.67%			40.00%		4.25%
Meetings				10.64%	6.67%	2.33%				3.30%
Membership & Dues		1.69%	14.29%	6.38%	6.67%	2.33%				3.30%
Mileage		1.69%	14.29%	4.26%			37.50%			3.30%
Miscellaneous Expense		1.69%		8.51%		18.60%		6.67%		6.60%
Orientation Expense					6.67%	2.33%				0.94%
Professional fees - Contractual Services	42.86%	16.95%	57.14%	4.26%	13.33%	16.28%		6.67%	9.09%	14.15%
Recruitment Expense					6.67%	16.28%				3.77%
Rent				4.26%						0.94%
Sponsorship Expense		61.02%		4.26%	6.67%					18.40%
Staff training/development				2.13%	6.67%	2.33%				1.42%
Subscriptions - Software	42.86%	1.69%			13.33%				18.18%	3.77%
Support & Maintenance Services				12.77%		2.33%	62.50%		18.18%	6.60%
Travel				4.26%	6.67%	2.33%		26.67%	9.09%	4.25%

Conclusion

- Too many invoices for expenses such as utilities or catered events were being split and coded into several departments at once, a drastically less efficient manner to journal expenses than initializing a program to code invoices for the user
- Through automation of the accounts payable process, it will greatly increase the accounts payable turnover rate
- The accounts payable turnover rate is a KPI that allows the finance team to analyze the rate at which we can pay vendors during a certain period (i.e. monthly, quarterly)
- The equation is calculated by total net credit purchases from suppliers during a period divided by the average accounts payable balance for the period

The Climate Resilience Plan: How Does The Wright Center (TWC) Respond to Climate-Related Emergencies?

Ceilia Severini, MS

Introduction

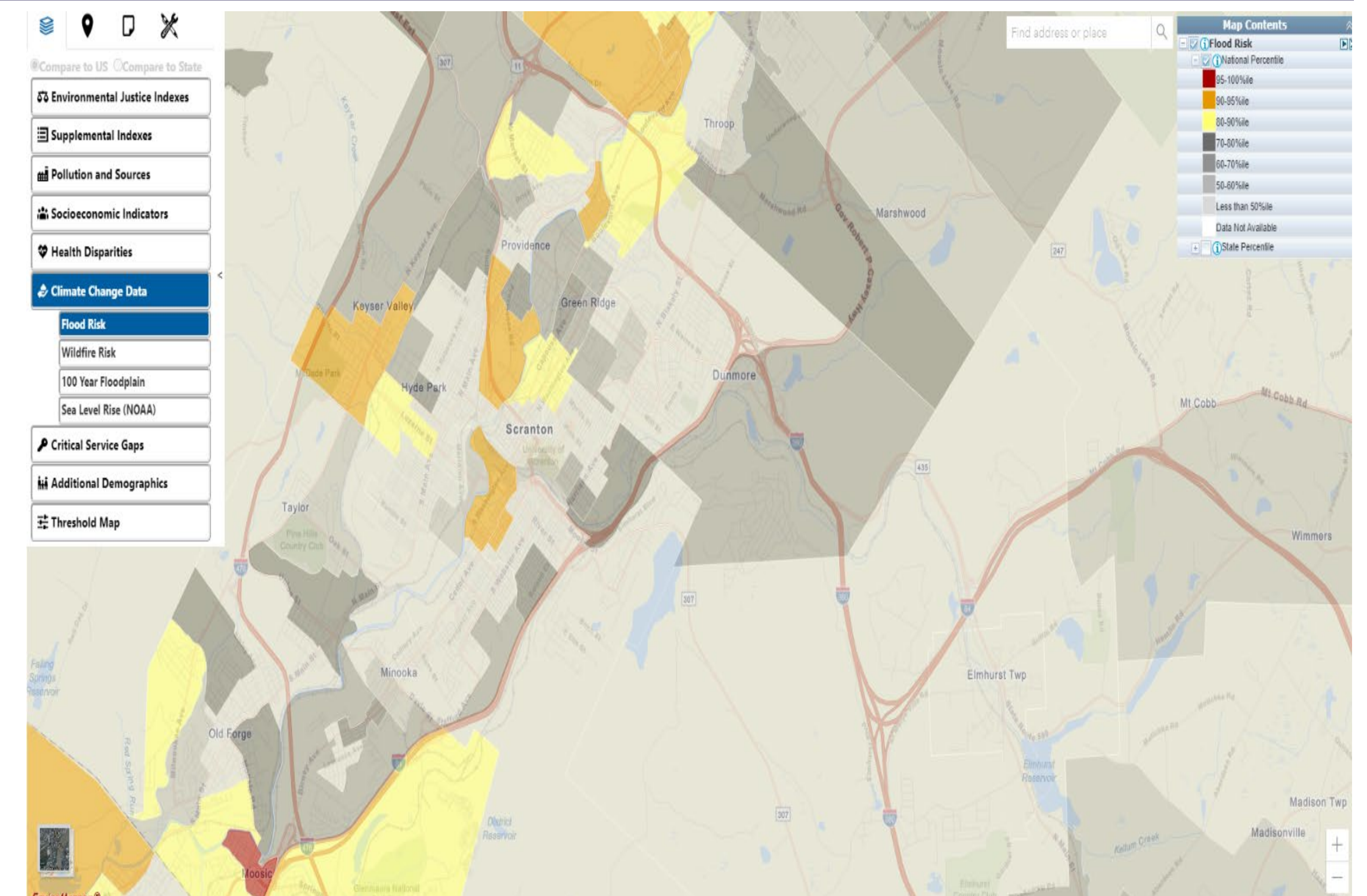
- Per the World Meteorological Organization (WMO), the amount of weather-related disasters has increased about fivefold over the past 50 years, a phenomenon driven by climate change.
- Despite damage to infrastructure and other valuables increasing, the loss of life attributed to climate disasters has decreased due to a variety of reasons, not limited to healthcare response and firmly implemented safety procedures.
- TWC has a responsibility to contribute to that trend as climate disasters become more common in our communities in Northeastern Pennsylvania.
- Through a detailed set of procedures, the Climate Resilience Plan offers a confirmed and thorough commitment to climate safety.

Methods

- Extensive research into climate change, climate-related emergencies, environmental justice databases, and climate resilience plans written by other health organizations.
- Meetings with representatives from other departments, Emergency Preparedness, Clinical Operations, and Sponsored Projects and Public Health Initiatives, in order to integrate relevant information from across departments into the Plan.
- Composition of email drafts for outreach to local community organizations to join as community partners in the Plan.
- Questions asked: How can TWC partner with the community to achieve a successful climate resilience plan?, How can these partners within the community be included in the plan?, During a climate-related or other emergency, what services does TWC need to maintain?, and How can TWC use emergency preparedness plans and extend to the community?

Results and Next Steps

- The groundwork has been done for flooding at the Scranton Practice/ Administration building.
- The flooding template will be used as a template for other climate-related emergencies.
- The flooding research is complete and has established many ideas to implement, such as clinical education, patient education, and addition of social-environmental determinants of health (SEDoH).
- Community partnerships in order to expand the plan to help more members of the surrounding communities are in beginning stages.
- Through this project, the Environmental Social and Governance (ESG) department has been integrated with other departments, such as Emergency Preparedness, Clinical Operations, and Sponsored Projects and Public Health Initiatives.
- Since this template is complete, ESG staff can map it out to other disasters.



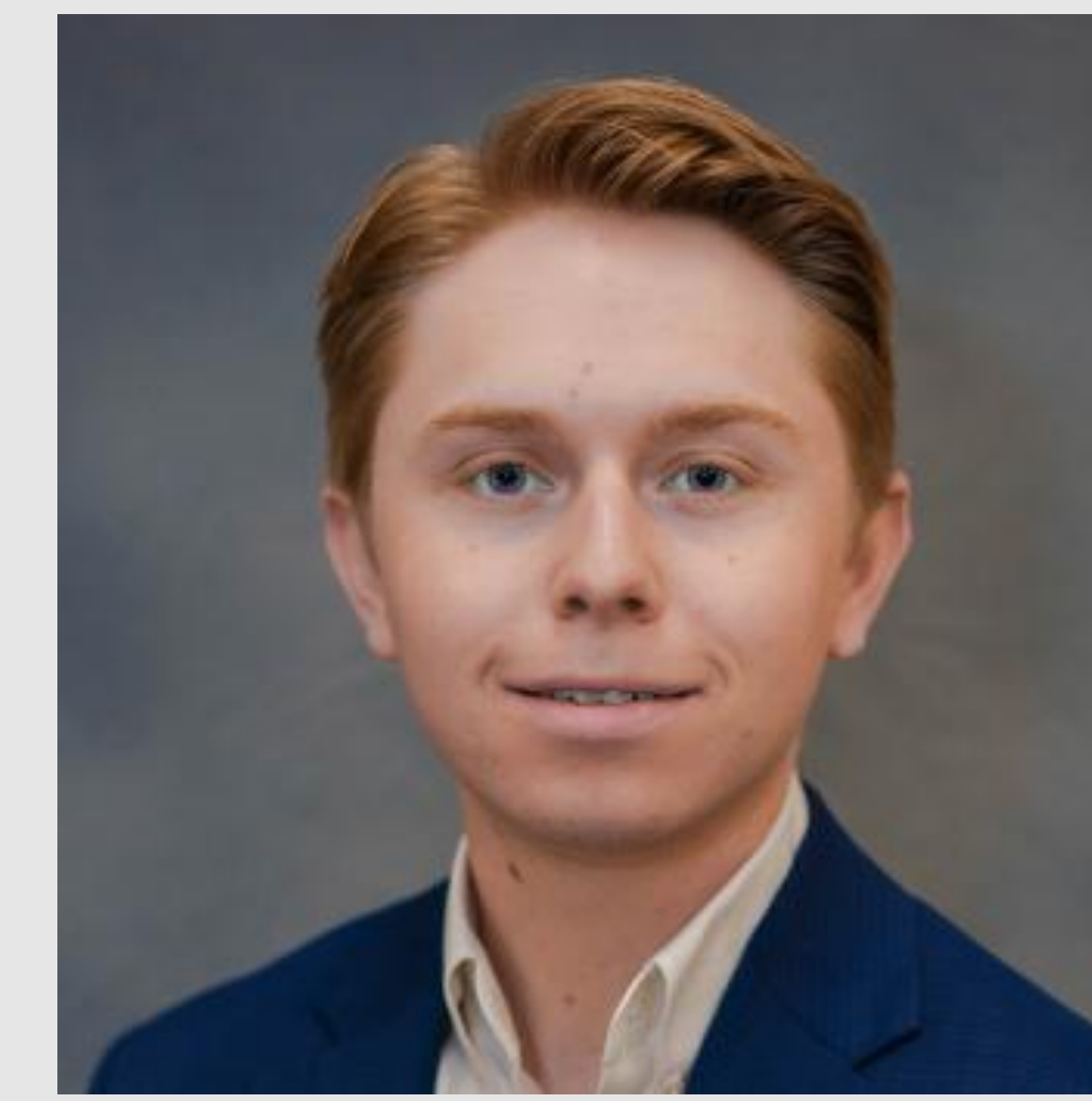
The EJScreen (Environmental Justice Screen) showing the flood risk for Scranton and the surrounding area. The key indicates that many precincts in the Scranton area are in the 80-90th percentile and the 90th-95th percentile for flood risk.

Conclusion

- The aim of the project was to create a climate resilience plan template so that plans for how to prepare for other climate-related emergencies can be created and modeled from the original template.
- Through extensive research and many meetings with various departments, a flood template for The Wright Center's Climate Resilience Plan was created.
- Through this plan, other ideas, such as clinical education, patient education, and addition of SEDoH, have been established
- The future directions of this project include modifying the template for other types of climate-related emergencies and ultimately using the plan set in place if a flood emergency arises.

References

- World Meteorological Organization. (2021, August 31). Weather-related disasters increase over past 50 years, causing more damage but fewer deaths. World Meteorological Organization. <https://public.wmo.int/en/media/press-release/weather-related-disasters-increase-over-past-50-years-causing-more-damage-fewer>
- EPA. (2019). EJSCREEN. Epa.gov. <https://ejscreen.epa.gov/mapper/>



Introduction

The purpose of this project was to understand the WHY, HOW and NEXT STEPS in establishing a charitable foundation to support the mission of The Wright Center Enterprise, in compliance with applicable law. The Wright Center Foundation is a single-member LLC, with The Wright Center for Community Health as its sole corporate member.

Methods

- Researched state law governing the establishment and operation of a single-member Limited Liability Corporation in Pennsylvania.
- Researched a variety of management structures for the Foundation.
- Searched online for required documents to form and operate a Limited Liability Corporation (Operating Agreement, Certificate of Organization, Form 990, etc.) as well as templates for a job description for an Executive Director for the Foundation.
- Evaluated possibilities for staffing the Foundation, inclusive of leasing staff and accepting in-kind contributions for or to support staffing.
- Evaluated proposal from Scranton Area Foundation to administer the Foundation.

Results

- Forming a single-member LLC in Pennsylvania:
 - Chose a unique business name for the LLC: *The Wright Center Foundation*
 - Applied for an Employer Identification Number
 - Designated a registered agent to accept legal documentation and a registered office
 - Filed Certificate of Organization with the State on February 17, 2023
- Create an Operating Agreement
 - Determine governance and management structures: We recommend that the Foundation be manager-managed, in that the manager(s) will be responsible for daily operations and the Board of Directors will provide oversight. The specific levels of authority and limitations of authority of both the board and the manager will be defined in Operating Agreement.
 - Open a business bank account.
 - Obtain necessary certificates, permits and licenses for activities.
- Determine staffing infrastructure and funding source.
 - Staff could be leased by the Foundation from TWCGME, and TWCGME could act as common paymaster as it does for TWCCH.
 - Alternatively, staffing can be provided as an in-kind contribution from TWCCH and TWCGME, with time tracked and reported on the appropriate Forms 990.



Conclusion

- The recommendations below will be presented to the Executive Committees of TWCCH and TWCGME:
 - The Wright Center Foundation is a single-member LLC. We recommend that it be manager-managed as opposed to member-managed for efficiency purposes as well as to strategically specify and cap annual contributions to other mission-aligned non-profits.
 - We recommend that the Executive Committees consider onboarding a third-party to administer the Foundation's business activities to reduce burden on staff and ensure IRS compliance, if fiscally prudent.
 - We recommend that staff be allocated to the Foundation from TWCCH as a charitable contribution, tracked and reported on the Form 990. An MOU should capture this arrangement.

References

15 Pa.C.S. § 8811-8898; <https://www.upcounsel.com/llc-board-of-directors#>; <https://www.dos.pa.gov/>; <https://eforms.com/operating-agreements/pa/pennsylvania-single-member-llc-operating-agreement-form/>; <https://eforms.com/download/2016/01/Pennsylvania-Single-Member-LLC-Operating-Agreement.pdf>; <https://www.irs.gov/pub/irs-pdf/f990.pdf>; <https://www.zenbusiness.com/single-member-llc-pennsylvania/>; <https://www.salary.com/research/job-description/benchmark/foundation-director-job-description>