

## CASE STUDY

# System Consolidations Equal Financial Leakage

### Scenario

During a standard Procure to Pay review, SpendMend reviewed aged open credits of which the Health System had yet to receive a cash benefit. The Health System had undergone an extended period of consolidations with other health systems and hospitals. Due to the age and complexity of the dated credits, management doubted their validity. SpendMend began a comprehensive effort to validate the open credits and ensure the Health System received a cash benefit.

### Findings

SpendMend reviewed \$2.2M in credits. After removing the Dark Data around the credits and contacting vendors to ensure their validity, SpendMend assisted the Health System to return them to the organization. SpendMend secured vendor refund checks, collected outstanding invoices, 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 Additionally, if the credit was no longer valid, SpendMend provided detail along with a journal entry upload to the Health System as to why the credit should be removed thereby improving the accuracy of the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 helped 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 enhanced confidence around the vendor balances in the ERP system.



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