Institute of Certified Bookkeepers Software Review

Conducted by Lara Manton MICB

About you

Lara Manton MICB runs LJM Bookkeeping Ltd. Specialising in Xero and building an ecosystem of apps to help clients become as efficient as possible. Shortlisted for Xero Sole Practitioner of the Year 2021 and 2022, Accounting Excellence Sole Practitioner and Bookkeeping Team of the Year 2021, and winner of ICB's Small Practice of the Year 2021.

Company Background

ApprovalMax is a workflow software that connects into Xero and QuickBooks Online or can be used as stand alone. The team is based in Europe, and they have a fast-growing community of users around the world. Being fully cloud based, it has regular updates and a roadmap including more integrations (the next being Oracle NetSuite). The package is hosted on Azure Cloud Services and backed up at their end, meaning there should be minimal downtime or chance of disruption

The Product

ApprovalMax is a workflow system for managing the whole accounts payable and receivable process. Designed for slightly larger businesses that have the need for multi-level approval processes, whether that be by various levels of management or different teams and departments. Perfect for charities, companies with separate buying and finance departments, or indeed bookkeepers working as outsourced accounts departments who want clients to have the final sign off on posting.

It integrates fully with Xero, with slightly less integration with QuickBooks Online (still including the core processes) and an added integration with Dext Prepare. It is fully cloud based, working on all platforms and includes a free app for both Android and iOS users.

ApprovalMax uses a 2-way sync, with the key thing being that it pulls in items from the 'awaiting approval' section. This means you can give users in Xero limited access, and they could kick the process off, for an approver to deal with. Therefore, if you are using Dext, Hubdoc, AutoEntry or a similar tool to deal with your data entry for purchases, you would want the publishing destination to be set to that section. ApprovalMax then will pull these bills or sales invoices into the system to start kicking off the process. The one difference from this is Dext. ApprovalMax has a direct integration with Dext, meaning that in that case, you would connect it straight into the system rather than connecting Dext into Xero/QuickBooks Online.
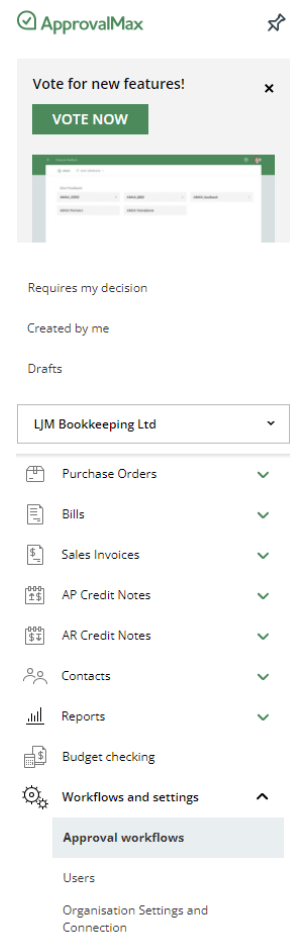
Users

As it has unlimited users, you can add your whole team or whoever needs access. They've made this as easy as possible by allowing you to type multiple emails in the invite box, rather than having to set each one up individually. Different users can have access to different departments, depending on which workflows you have added them to. If you don't want to give users access until the system is configured, you have the ability to add them, but not send the invite yet. You can also add users from within the workflows themselves. The user, organisation and workflow settings are all accessed from the same place, and everything is clearly labelled via the left-hand menu.

Workflows

The main workflows themselves work in the same way, whether that be purchase orders, sales invoices, bills or credit notes. The only aspect that works slightly differently is the supplier (contact) creation workflow. Each approval process can have multiple steps, including as many people as needed. You can add as much detail as needed, allowing for IF/OR processes, meaning that the approvers only see work that is relevant to them and allowing some items to skip steps. Therefore, if you have managers who only oversee one area, or deal with items above a certain amount, they don't see everyone else's requests. You can set the approvals based on nominal code, amount, tracking, allowing very granular processes if needed.

ACCOUNTS PAYABLE		
Purchase Order Creation and Approval workflow		Not activated ●
Create Purchase Orders in ApprovalMax and run them through a multi-step approval workflow.		
Bill Creation, Review and Approval workflow		Not activated ●
Run Bills created in Xero/Dext/ApprovalMax through a multi-step approval workflow.		
AP Credit Note Approval workflow		Not activated ●
Run AP Credit Notes created in Xero through a multi-step approval workflow.		
ACCOUNTS RECEIVABLE		
Sales Invoice Approval workflow		Not activated ●
Run Sales Invoices created in Xero through a multi-step approval workflow.		
AR Credit Note Approval workflow		Not activated ●
Run AR Credit Notes created in Xero through a multi-step approval workflow.		
OTHER		
Contact Creation and Approval workflow		Not activated ●
Create new Contact through a multi-step approval workflow in ApprovalMax		

There is also the ability to create stand-alone workflows if you are on the Premium plan.

Setting up workflows

All workflows are created in essentially the same way. They are made up of several steps, each with its own variables and customization options.

Step 1: Add Requesters. These are the people that can create a bill within the system and submit for approval. If you are pulling directly from your accounting system, this step may not be needed. You can have different settings allowing users to either create for contacts already in the accounting software, or to create them for new contacts as well.

Step 2: Adding Approvers and Reviewers. This step can be renamed, so if you have multiple steps in a workflow, each can be clearly labelled.

Approvers		Total amount (GBP)	Requester	Supplier	Account	Item	Tax
✉	office@ljmbookkeepin... ○○○ should approve if	Any amount	Requester matches Lara Manton	Any Supplier	Any Account	Any Item	Any Tax
LM	Lara Manton ○○○ should approve if	Over or equal to 500.00 GBP	Any Requester	Supplier matches Xero	Account does not match 305 - Xero for resale costs	Any Item	Tax does not match 20% (VAT on Expenses)

👤⁺ Add an Approver

Clicking on the table button brings up the approval matrix. Within this you have multiple different sections with their own options. The options are 'any', 'matches' or 'does not match', except for fields on the amount section.
- Amount: this can be set as 'over or equal to', 'under', 'between' or 'any amount'. For example, if you had a finance director who only wanted to see bills above £500, you would set over or equal to £500
- Requester: this means if you have a team leader dealing with only requests from those below them, you can set that up.

- Supplier: if you are working on a project, or have a budget with a specific supplier, you can direct them to the correct person. It pulls all contacts in from your accounting software, not just supplier.
- Tracking category (named as it is in the system): if you are using tracking categories then these can also be used to filter suppliers. This is helpful if your client has everything in several accounts but uses tracking to split out the items.
- Account: this is where you can set people up to only get requests for certain nominal codes. All codes are bought in from your software and you can select multiple codes. For instance, if you have someone in charge of the marketing department, then you may pick just those codes.
- Item: these come in from your inventory items. For example, if you have a manager interested in only certain products going out, you could set their items to just those they needed to track.
- Tax: this would be helpful if you need to make sure that no one is making a mistake with sales invoice or purchase tax on an invoice. You could have a sales invoice workflow that was the bookkeeper saw all items that were not 20% VAT on income.

You can add as many different versions of step 2 as you need. So, if you wanted to filter it through a specific person and then onto department heads, or an admin assistant onto a bookkeeper, you can set these up. All you need to do is click the + and follow the process in the same way. Apparently, they have a user with 30 different steps in their workflow.
Only the first version of step 2 in the chain has reviewers, so after that point it is approvers only, the item can't be changed by anyone else, to stop users being able to change something after it has been approved by a team member.

Approval condition   DONE

It can be selected whether all or only one of the assigned Approvers is required to approve the request to complete this Approval step. Learn more

Each step within this section can change from 'all' approvers to 'any of' the approvers. Therefore, if you have several people in the same job role, you could have it that both do not need to approve, as either could send it to the next stage, by using the 'any of' option. If you wanted everyone to sign off, you would leave it as 'all'.

All	Any of
If this option is chosen, all assigned Approvers will have to approve the request in this step	If this option is chosen, specified number of assigned Approvers will have to approve the request in this step.
	Important: if number of approvers for exact condition is less than set then all of approvers of this step must approve this step.
	Number of approvers 1

Clicking the timer icon under any of the steps allows you to add deadlines. This means that if you have targets or deadlines for how long you should take to process items, you can set these up. Items nearing the deadline or over the deadline will show up at the top of the approvers queue, helping the approver to know what is most urgent. Items over the deadline will show how overdue they are. Users will get notifications to alert them of deadlines, both in the system and via the app. You can also run reports on this, to help monitor team performance.
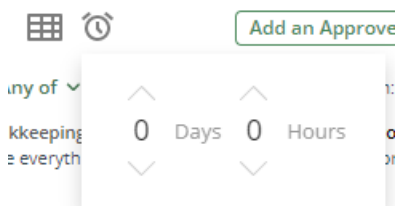
If you are on the Advance Plan then clicking the grey '+' button between 'Pulling from….' and the first approval step, allows you to add the optional 'Auto Approval' step. This is set up in exactly the same way, but you need to name each rule within this. It means that items like utility bills that are pulled in from the software, don't need to be approved by anyone and will move straight to the final stage of 'Authorised in…'. Anything that should not be dealt with by a person, can go straight through this step.

Auto-approval Step ✕

Auto-approval settings

Please note: the auto-approval step is the first step that's triggered. So, if a request matches one of the rules specified in this step, it will be approved automatically – and bypass all further approval steps.

All workflow pages have a top bar with quick access to the knowledge base, tutorial videos and the ability to see when the system was last synchronized to the software (and do a manual sync if needed).

Approval matrix for the step "Approval step"   ↕ DONE

Knowledge base ⌄   How-to videos ⌄   ✕ Hide

How an approval workflow is set up for contact creation
The contact creation workflow is slightly different, as would be expected. All the details are input by one person, including as much or little as needed, with a second person then able to approve it. The input mirrors the contact form within your accounting software; however, the contact is not created there until it has been approved.

Contact Creation and Approval workflow

Knowledge base ⌄   How-to videos ⌄ | Setup and training package ⌄

Create Contact in ApprovalMax 🔒 > + > Approval step > (+) > Authorisation in Xero 🔒

Add users who should be able to create requests and submit them for approval.

Add an Approver   ▦ ⏰

Approval condition: All ⌄

office@ljmbookkeeping.co.uk
without any restrictions
INVITE

LM   Lara Manton
   should approve everything

Contacts will be automatically authorised in Xero after their final approval.

Add Requester

Once you have configured your workflow to your needs, you click to activate it. You can save it at any stage beforehand, without approving and you can also download it as a PDF, if you want to share with clients or team members outside of the system. Once the workflow is activated, it will show as such on the workflow screen and no longer be greyed out.

Creating something directly in the system
You can use these methods above or skip this step completely and create items directly from ApprovalMax, to then synchronise into Xero/QuickBooks Online once approved.

This option can be access from the green '+' in the side bar, the create new in the top right, or each individual drop down section within it. Any document auto saves as you go along and the page for creating the items has the same layout as you are used to from the accounting software, including the ability to add attachments. The one addition being that you can add notes to the approvers, to address any queries that you think might arise.
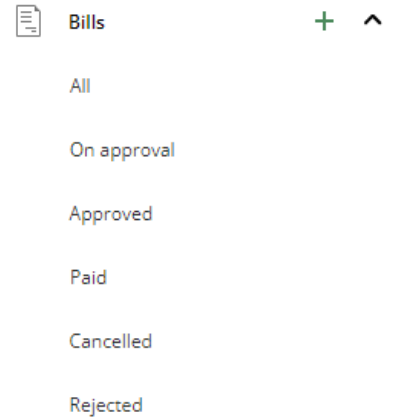
Approving an item in the system
The top part of the navigation sidebar is sorted by your items; either those that require a decision or created by you or are still in drafts. When you are outside of the workflow settings screen, it will default into the 'requires my decision' section – meaning these can be easily found. The list will show you whether the item has come from your software or manually created by a team member, and clearly lists what type of document it is.
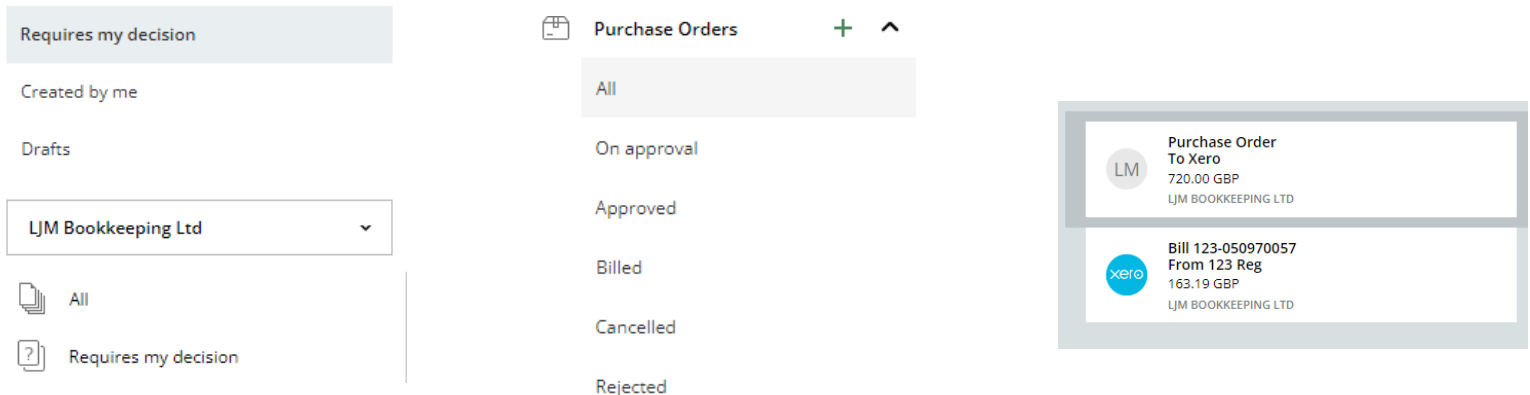
When you click on any item in your list, it opens on the right-hand side of the screen. The top section mirrors the standard layout.

Bill 123-050970057 from 123 Reg   163.19 GBP

Submitted to Xero
LJM BOOKKEEPING LTD

Bill actions: COPY

Date	Due date	Reference
18 Nov 2021	25 Nov 2021	123-050970057

Description	Qty	Unit price	Account	Tax	Amount GBP
.	1.00	135.99	463 - IT Software and Consumables	20% (VAT on Expenses) (20%)	135.99

Amounts are Tax Exclusive

Open in Xero ∨

Subtotal:	135.99 GBP
Total Tax (20%):	27.20 GBP
TOTAL:	163.19 GBP

FILES

📎 9692773510.jpeg

BILL-TO-PO MATCHING

This Bill is currently not matched to any Purchase Order.

MATCH TO A PURCHASE ORDER

As you can see if you have an attachment in the accounting system this will also pull into ApprovalMax. These can be opened in a new screen, with the option to switch to side-by-side view, allowing for direct comparison to aid with checking the item against the source document. If there is a PO for the supplier, you can match the bill against it. You can also match multiple bills to one purchase order and vice versa, dependent on how the business operates. After matching you get a summary allowing at a glance overview of if the item exceeds or is within the limits of the PO.

BILL-TO-PO MATCHING

This Bill is matched to Purchase Order PO-0001 to 123 Reg
The Bill amount (163.19 GBP) does not exceed the amount of the Purchase Order (204.00 GBP).

CHANGE THE MATCHING

Once you are happy with everything (or not as the case may be), you can approve or reject using the top buttons. For admin users you also have the ability to 'Force' the decision by using the lightning bolt, bypassing all other approvers in the chain. If you chose this option, then you will be asked to include a comment.

Purchase Order to Xero   720.00 GBP

Submitted by Lara Manton
LJM BOOKKEEPING LTD

Purchase Order actions: EDIT | COPY | CANCEL

Audit trail and messaging
The bottom section of the main page of an item is called the 'Approval Workflow'. This is essentially the audit trail. This means that the approver can check where the document has come from and which (if any) stages and approvers it has been through before reaching them. It also shows the next people that the request will get sent to.

There is also a messaging box, which allows you to make comments and add attachments that the other people in the approval chain will see. Therefore, if there are any queries about a particular item, all discussions around it can be dealt with directly from the audit trail section and everyone can see exactly what item is being discussed.

Approval step   ACTIVE
Approval condition: All

LM ✉ ✏

AUDIT TRAIL

SHOW 1 EVENT

Lara Manton
Matched this Bill to the following Purchase Orders:
Purchase Order PO-0001 to 123 Reg (204.00 GBP)
25 Feb 2022 11:56   LM

Lara Manton
Added office@ljmbookkeeping.co.uk as an Approver to the "Approval step" step
25 Feb 2022 12:04   LM

Lara Manton
Approved the request in the **"Approval step"** step
25 Feb 2022 12:04   LM

Leave a comment   📎 ➤

If an admin user, or the account owner believes they have been assigned the wrong item, then it can also be reassigned from here. Additional approvers can also be added if needed.

Budget comparison

If you or your clients use the budget feature within Xero (it doesn't currently work with QuickBooks Online), then you can request that information pulls through into ApprovalMax. Otherwise, you can manually create a budget from within the system using a CSV file.

Once in the system (either way) you need to set some parameters such as what time period the budget covers. You have the option to have budgets that run across a different year to your accounting year if needed. You can also add in tracking if needed.

This information pulls through to the items in the approval queue, meaning that a review can be made to check that the item is within the budgeted allowance. You can also view past months, so for if example a budget wasn't used in a previous month as the bill came in late, you can view and reassign the budget to the current month. This allows high level overview and reporting on budgets for those that need it.

Upload budget   ADD BUDGET

ApprovalMax allows to upload budgets in a pre-defined .csv file format. Learn more

Files downloaded from the Xero Budget Manager can be uploaded without any adjustments.

Budget name *

[Budget name]

Software *

[Do Not Filter]

Budget check period *

- ◉ 1 month
- ○ Financial quarter
- ○ Half of financial year
- ○ Financial year
- ○ Year to date
- ○ Year with selected start month [January]
- ○ Year to date starting from the selected month [January]

UPLOAD .CSV FILE

Reports

The report pack starts key reports based on what workflows you have activated. However, there is the ability to create new reports with a range of filters, so they can be as customized as you need. They can also be customized directly from the open report, allowing you to add or remove columns and filters as needed. There are over 30 different columns and an additional 30 filters that can be applied, which come under the same key headings. Not all may be applicable to all items, but it means you can create reports to meet specific requirements.

These reports include a full overview not only of the items in the system, but other key information, such as showing the remaining balances on purchase orders, as well as who approved the items and how long the items was in the system for. Therefore, they can be used as internal KPIS to measure team or sector performance and identify delays, to improve efficiency.

✕   **New report**
STEP 2: FILTERS

⌄   KEY DATA

⌄   WORKFLOW

⌄   COMPLIANCE

⌄   MATCHING

⌄   BILL DETAILS

Report name [Purchase Orders approved this month]   ⏰ 🖨 📥 ↻ ⋯ **SAVE**

This report shows requests that match the following filter:

Request type is Purchase Order   Status is Approved   Decision date is This month   **REPORT SETUP**

NAME	REFERENCE	DELIVERY DATE	APPROVED BY	SENT TO THE SUPPLIER	AUDIT REPORT	PO REMAINING BALANCE	HOW LONG THE DECISION TOOK
Purchase Order PO-0002 to Xero	—	—	Lara Manton	No	Ready	720.00	24 minutes 44 seconds
Purchase Order PO-0001 to 123 Reg	—	—	Lara Manton	No	Ready	40.81	5 seconds

Reports can be downloaded as CSV, printed to PDF or saved. Using the clock button schedule the report to be emailed out at a specific time and day of your choosing. The person that receives the email does not need to be a user in the system, so for example if HR were looking to measure time taken to approve, they wouldn't need to have access to the system to see this.

A key report to mention is the 'Potential Fraud Detected' report. ApprovalMax monitors what is in the system, versus what is in QuickBooks Online/Xero. Therefore, if you have a workflow turned on, it will identify if an item skips ApprovalMax and is approved directly from the accounting system. Any 'forced items will also show up on the report' The idea around this is that if someone is trying to circumnavigate the approval process you would be able to see exactly how and what items.

App and notifications
If your approvers are on the go, there is a fully functional app available for free as well. The app includes push notification support, meaning that approvers don't need to be sat at their desk to approve items, can receive notifications both for items they need to approve, upcoming or overdue deadlines and messages regarding items in their queue.

Key Benefits

The set up means users do not need to be Xero/QuickBooks Online users. Therefore, you can have approvers that do not need to see Xero/QuickBooks Online and deal solely with their finance requirements from ApprovalMax. This is great for bookkeepers with hands off clients, as the client could review everything from ApprovalMax, without worrying about dealing with the accounting system.

The support is predominantly ticket based. However, they have international support teams which means during working days the support is available 24 hours. While the support response times are a maximum of 8 hours, they pride themselves on being considerably quicker than that. The premium plan comes with priority support, meaning response times are a maximum of 2 hours and includes telephone support.

During the onboarding process, you get a pop-up tutorial video on every section you access for the first time as well as a live chat function. This means that while getting used to the system and getting to grips with setting up your first workflows, there is more support available. They have a significant knowledge base of articles, all of which can be accessed using the '?' or via the banner.

For anyone interested in learning more about the system or who might have other queries, they run a live webinar weekly. As well as acting as a bit of a demo, it also includes a Q and A session afterwards. Like many software, they also have feature request and the ability to vote on features to move them up the roadmap.

Strengths

- It focuses on doing one thing well
- There are no limitations client type or sector - aimed at all businesses
- Unlimited users, approval steps and workflows
- It can cope with extensive steps and different versions of the workflow
- They offer partner accounts including dedicated learning and accreditation (and a free account)

Areas to improve

- It would be good if it had a bank account checking workflow
- I can see the need for detection for duplications – as there is currently the potential for items to be created manually in ApprovalMax, as well as the accounting software.
- Some of the features such as auto approval only available on the higher-level plans
- Not all features, such as sales invoices work with QuickBooks Online
- It would be good if the item messaging allowed you to tag people.

Value for Money

The pricing is also based off a company basis, meaning that you can set up as many users as needed, all for one price. There are three pricing tiers, and the price doesn't change with what software you are using, it just lets you know which features are available. They allow pricing in various native currencies for their worldwide clients. There is a 14-day free trial.

ApprovalMax for Xero

Standard
£32 GBP/mo
per month per organisation, exclusive of tax
Buy now
- ✓ Bill approval
- ✓ Dext integration
- ✓ Purchase order approval
- ✓ Bill-to-purchase order matching
- ✓ Sales invoice approval
- ✓ Credit note approval
- ✓ Reports

Advanced — Most Popular
£52 GBP/mo
per month per organisation, exclusive of tax
Buy now
- ✓ Bill approval
- ✓ Dext integration
- ✓ Purchase order approval
- ✓ Bill-to-purchase order matching
- ✓ Sales invoice approval
- ✓ Credit note approval
- ✓ Reports
- ✓ **Budget checking** ⓘ
- ✓ **Contact approval** ⓘ
- ✓ **Auto-approvals** ⓘ

Premium — Best Value
£72 GBP/mo
per month per organisation, exclusive of tax
Buy now
- ✓ Bill approval
- ✓ Dext integration
- ✓ Purchase order approval
- ✓ Bill-to-purchase order matching
- ✓ Sales invoice approval
- ✓ Credit note approval
- ✓ Reports
- ✓ Budget checking
- ✓ Contact approval
- ✓ Auto-approvals
- ✓ **Stand-alone workflows** ⓘ
- ✓ **Priority support**

They offer several discounts, all of which are cumulative:

- Annual - 17% discount for paying once a year
- Charities and Not for Profit - 20% discount
- Multiple businesses (ideal for bookkeepers buying and re-billing to clients) – every time you jump up a tier you get an additional discount. The license tiers are 0-4, 5-24, 25-99, 100-499, 500+

If you need it up and running straight away, there is a complete Set-up and Training package for £299.

Testimonials

From bookkeepers and accountants:
- https://www.approvalmax.com/practice/bookkeeping-and-accounting-practice-management
- https://www.approvalmax.com/blog/outsourcing-your-bookkeeping-and-accounting-learn-how-to-establish-bulletproof-processes-with-approvalmax/
- https://www.approvalmax.com/blog/putting-financial-controls-in-place-to-successfully-outsource-the-finance-function-of-a-pr-agency/

From Not for Profit: https://www.approvalmax.com/business/not-for-profits

Summary of Review

If you are working with clients with multiple team members, that are buying from external sources, or have a separate sales team, then this is a fantastic addition. It certainly stops the need for pieces of paper being passed round the office for each approver to sign, often getting lost or misplaced between in-trays. By keeping everything in one place in the cloud, with full visibility and accountability, your clients can speed up the process, monitor their team's productivity and get everything into the accounting system in a far more efficient way.

There is a great deal of flexibility within the system, to make sure that the entire process runs as smoothly as possible. The fact that you can set deadlines, and even turn on an Out of Office setting who else gets your requests means that any items in the system should be dealt with as efficiently as possible, keeping the accounts, suppliers, and customers happy.

Even if you have an office junior entering sales and purchases, these can be checked by a manager before they make it across to the accounting software. It would be ideal for businesses with multiple sites and a head office, or charities that need a full audit trail on every purchase. If you are working in an outsourced accounts role, or as a virtual FD, this is a great tool to collaborate with your clients and their team.

It will be interesting to see where this goes, as they have spent a lot of time developing it over the past 4 years, with the next thing planned to be a payment approval (linked with a payment provider). That would mean that the complete process from creating the supplier or raising the purchase order to paying the supplier could be managed solely from ApprovalMax.