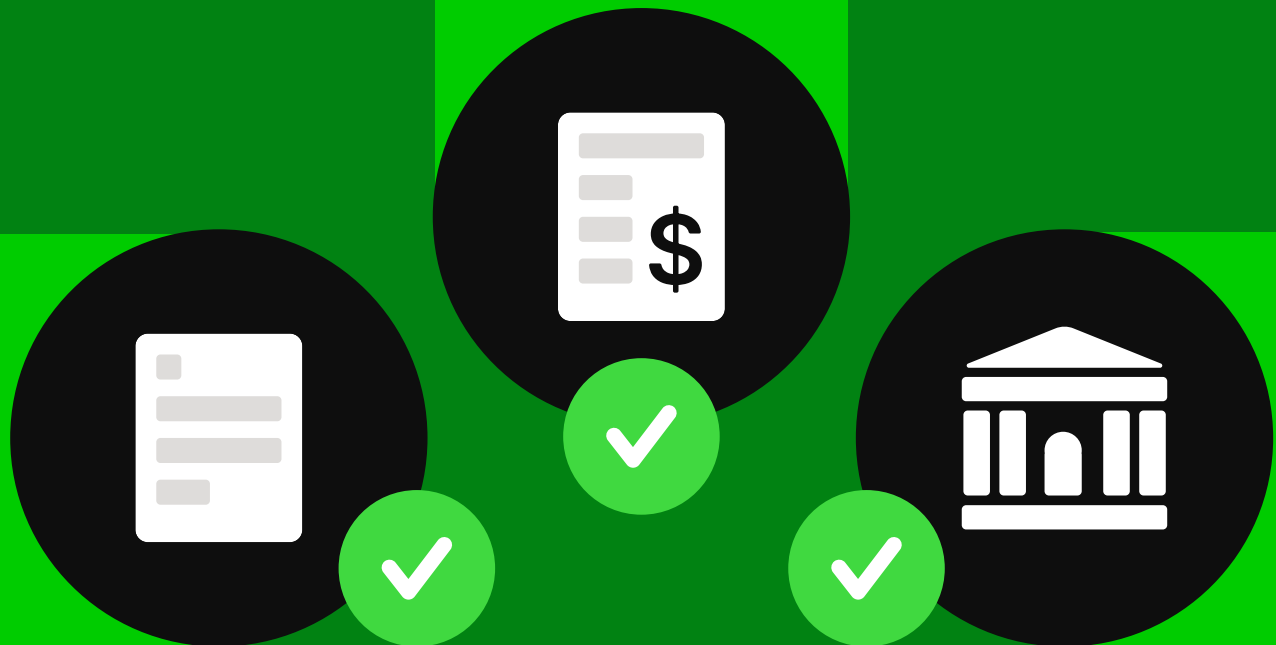


Mastering Cash Application with AI:

Transform Accuracy, Eliminate Errors, and Accelerate Cash Flow

Discover how automating your cash application process can save time, reduce costs, and improve accuracy.



What is cash application, and why does it matter?



Cash application is the process of matching incoming payments to corresponding invoices in a company's accounts receivable system. It ensures accurate financial records, efficient cash flow management, and strong customer relationships.

Efficient cash application is critical for tracking receivables, reconciling accounts, and managing working capital. Prompt and accurate payment application reduces days sales outstanding (DSO), enhances cash flow visibility, and minimizes operational costs.

Example in action

TechPro Supplies provides machinery to Omega Manufacturing on credit and issues an invoice for \$50,000. Omega submits a payment via EFT along with remittance details specifying the invoice number and amount paid.

Traditionally, a cash application specialist would retrieve payment details from the bank, cross-reference them with the remittance advice, and match the payment to the invoice.

Challenges may arise due to:

Partial payments

Omega pays \$45,000, requiring clarification for the \$5,000 shortfall.

Bundled payments

Omega combines payments for multiple invoices, necessitating manual allocation.

Missing details

Incomplete or incorrect remittance information delays reconciliation.

Manual processes introduce delays, increase errors, and impact cash flow visibility. Automating this process eliminates inefficiencies, ensures accurate payment matching, and accelerates reconciliation.

The challenges of manual cash application

Manual processes are slow, error-prone, and costly due to:

Diverse payment channels

Consolidating checks, EFTs, credit cards, and wire transfers is labor-intensive.

Incomplete data

Missing or incorrect remittance information creates bottlenecks.

High transaction volumes

Managing thousands of payments daily strains resources.

Cross-currency complexity

Multi-currency transactions add reconciliation challenges.

These issues delay cash flow visibility, increase costs, and strain customer relationships.

How companies traditionally handle cash application

Most companies rely on accounts receivable (A/R) teams to manually match payments, resolve discrepancies, and update records.

High costs

Scaling A/R teams to manage transaction growth increases labor expenses.

Limited efficiency

One A/R specialist typically handles 500–1,000 transactions per month, fewer in complex cases.

Error-prone

Manual reconciliation often leads to mismatched payments and delays.

How AI changes the landscape

AI-powered automation transforms cash application by:

Increasing efficiency

AI matches payments to invoices with near-perfect accuracy.

Improving scalability

Handle higher volumes without adding headcount.

Enhancing ratios

One specialist can oversee up to 10,000 transactions per month.

Shifting focus

A/R teams focus on strategic initiatives like cash flow optimization.

Automation streamlines operations, improves accuracy, and reduces costs, making it essential for modern finance teams.

Why automate cash application?

Automation enables faster, more accurate reconciliation while lowering costs.

Key benefits include:

Faster reconciliation

Speeds up the process and reduces delays.

Cost savings

Frees resources from manual tasks.

Improved visibility

Provides real-time cash flow insights for better decisions.

How OpenEnvoy automates cash application

OpenEnvoy uses advanced AI-driven technology to eliminate manual work at every step of the cash application process:

Step	Traditional challenge	With OpenEnvoy
1. Payment receipt	Manual data collection is slow and error-prone.	Consolidates payment data in real-time without manual effort.
2. Payment matching	Labor-intensive and prone to errors.	AI matches payments accurately, even for partial payments.
3. Exception handling	Delays due to manual investigation of discrepancies.	Flags and resolves exceptions with guided workflows.
4. Posting and reconciliation	Manual ERP updates introduce errors and delays.	Posts reconciliations directly to ERPs in real-time, ensuring accuracy.

The OpenEnvoy advantage

OpenEnvoy delivers seamless, automated cash application, helping businesses:

- Reconcile payments faster and more accurately.
- Reduce costs and free up resources for strategic tasks.
- Gain real-time cash flow visibility and improve financial health.

Integrations

OpenEnvoy integrates with:

ERP systems

Oracle, SAP, NetSuite, and others for real-time reconciliation.

Banking systems

Retrieves payment data from major banks.

Customer portals

Automates remittance data extraction.

Global exchange rates

Processes multi-currency payments with real-time rates.

Use Cases

OpenEnvoy fits various industries and needs:

Manufacturing

Automates high-volume payment matching.

Retail

Simplifies bulk payment reconciliation.

Services

Resolves partial payments and complex exceptions.

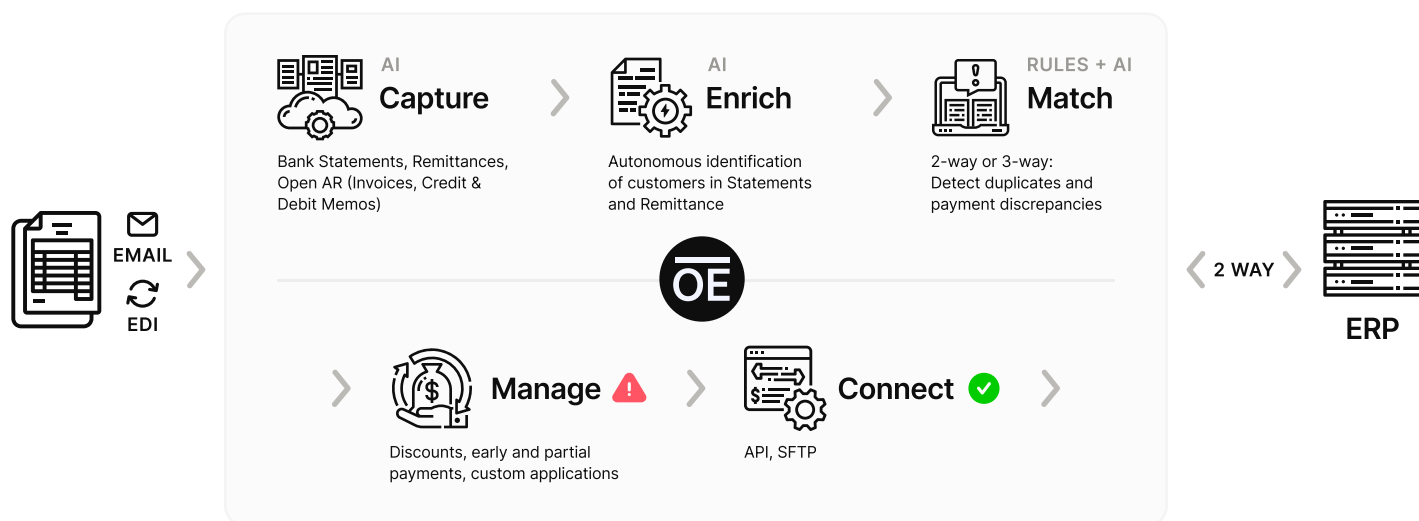
Global enterprises

Streamlines multi-currency payments.

Key data inputs and outputs

Inputs	Outputs
Bank and payment data	Mapped payments, ERP-ready reconciliations.
Customer data	Reconciled entries in AR ledgers.
Invoice and credit data	Currency-adjusted payments and flagged discrepancies.
Exception handling	Resolution records and audit trails.
Historical data	Searchable transaction logs and compliance-ready records.

The applied AI platform trusted by global enterprises to automate cash application.



With OpenEnvoy, manual cash application is a thing of the past. Transform your accounts receivable process with seamless automation, accurate reconciliation, and real-time cash flow visibility.

Cash application automation readiness checklist

1. Current process assessment

Use this checklist to assess your organization's readiness to implement automated cash application processes.

- ☐ Do you receive payments from multiple channels (e.g., checks, EFTs, credit cards, wire transfers)?
- ☐ Are you currently using manual methods to consolidate payment and remittance data?
- ☐ Do your payment matching processes frequently result in delays or errors?
- ☐ Are discrepancies and exceptions slowing down your reconciliation process?
- ☐ Does your team spend significant time manually entering reconciled payments into ERP systems?

2. Business impact and needs

- ☐ Are high transaction volumes overwhelming your current cash application processes?
- ☐ Are partial payments or multi-currency transactions causing inefficiencies?
- ☐ Are you experiencing delays in reconciling payments, which impact cash flow visibility?
- ☐ Do you struggle with maintaining compliance and audit-ready records?
- ☐ Would your team benefit from reallocating time spent on manual tasks to strategic projects?

3. Technology readiness

- ☐ Do you use an ERP system such as Oracle, SAP, or NetSuite?
- ☐ Can your current system integrate with external tools for automation?
- ☐ Are you leveraging or open to using AI-based technology in financial processes?
- ☐ Do you have clear payment data and historical records for automation setup?
- ☐ Are you prepared to train your team to manage automated workflows?

4. Strategic goals

- ☐ Are you looking to reduce days sales outstanding (DSO) and improve cash flow?
- ☐ Is your organization prioritizing cost reduction and efficiency gains?
- ☐ Do you need real-time insights into cash flow to improve decision-making?
- ☐ Are you seeking to enhance customer satisfaction by reducing payment discrepancies?

What's next?

If you checked 3 or more boxes in each category, your organization is ready to explore cash application automation.

Take the next step with OpenEnvoy to streamline your cash application process, eliminate errors, and unlock measurable financial improvements.

Contact OpenEnvoy

[Schedule a 30-minute chat](#) with our experts to discover exactly how automation can transform your workflows and boost your bottom line.



About us

OpenEnvoy is an award-winning AI-driven finance company. Our team of experts in procure-to-pay and machine learning have developed technology that helps companies manage complex financial operations with ease. OpenEnvoy's solutions automate routine tasks to ensure compliance, optimize cash flow, and eliminate cash leakage.