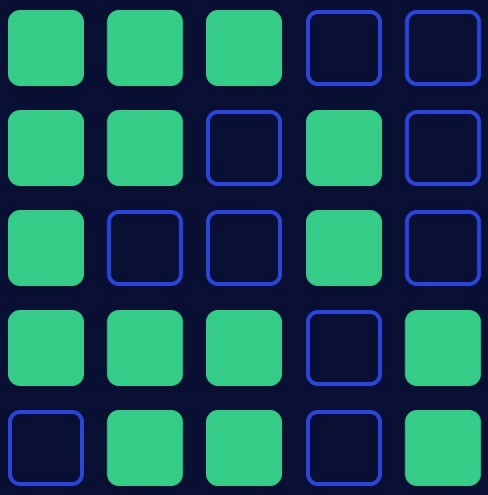
ApprovalMax



CONSTRUCTION CHECKLIST

The construction accounts payable fraud checklist

25 checks to find the gaps in how your business approves and pays suppliers and subcontractors

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WHO IT'S FOR

Owners, controllers and bookkeepers at construction businesses that use QuickBooks Online

BEFORE YOU START

Why construction businesses need to check their accounts payable

$120,000
what a typical fraud case costs a construction business

12 months
how long a typical fraud ran before anyone found it

55%
lower losses where managers reviewed transactions

Source: Association of Certified Fraud Examiners (ACFE), Occupational Fraud 2026: A Report to the Nations

Billing fraud is one of the most common types of fraud in construction. It's when someone gets the business to pay an invoice that is fake, inflated or sent twice.

Accounts payable is the process your business uses to approve and pay the bills it owes to suppliers and subcontractors. In construction, that process has more ways in than in most industries. Invoices come in from many subcontractors across several job sites, and project managers often approve spending away from the office.

The ACFE found that a lack of controls was the main weakness in 33% of fraud cases.

How to use this checklist

Work through each of the five sections. Tick a check only if your business does it every time. Leave it unticked if you do it only sometimes. At the end, count your ticks to see where to start.

SECTION 1 OF 5

Adding suppliers and subcontractors

A fake supplier is one of the simplest ways to take money from a business. These checks make sure every supplier you pay is real and was added by the right person.

2×

For construction businesses using ApprovalMax, the first bill from a new supplier was typically about twice the size of later bills from that supplier.

Source: ApprovalMax data

A COMMON SCAM

Someone sets up a subcontractor that doesn't exist, with a real-looking name and tax form, then sends bills for work nobody did.

Warning sign: a new supplier whose address or phone number matches an employee's.

- [ ] Before you add a new supplier or subcontractor, someone checks their business details against an independent source, such as a state license lookup or their W-9 tax form.
- [ ] The person who adds suppliers to QuickBooks Online is not the person who approves or pays their bills.
- [ ] You keep proof of insurance and licenses on file for every subcontractor, and someone checks the expiry dates.
- [ ] At least once a year, someone reviews your supplier list and removes suppliers you no longer use.
- [ ] Someone checks the supplier list for duplicates, and for suppliers that share an address, phone number or bank account with an employee.

Ticks in this section: _____ of 5

SECTION 2 OF 5

Checking invoices and change orders

A change order is a written agreement to change the work, price or schedule on a job after the contract is signed. These checks make sure you pay only for work that was agreed and done.

1 in 8

purchase orders ended up billed above the approved amount, in construction and other industries. When that happened, the bills came to a typical 19% over.

Source: ApprovalMax data

A COMMON SCAM

A subcontractor adds “extra work agreed on site” to an invoice. Nobody wrote it down, and some of it never happened.

Warning sign: extras on an invoice with no signed change order behind them.

- [ ] Every invoice is matched to a purchase order, subcontract or signed change order before anyone approves it.
- [ ] Someone on site confirms the work or materials on the invoice were delivered before the invoice is paid.
- [ ] Change orders are signed by an agreed person before work starts, not added to an invoice afterwards.
- [ ] Someone checks each invoice for duplicates, such as the same invoice number, amount or date from the same supplier.
- [ ] Project costs are compared with the job budget regularly, and someone looks into any line that is over budget.

Ticks in this section: _____ of 5

SECTION 3 OF 5

Approving bills

The ACFE found that in 19% of fraud cases, someone senior got around the controls the business already had. Clear approval rules make it harder for one person to push a payment through.

1 in 3

construction businesses using ApprovalMax had at least one bill approved only by the person who created it. For other industries, it was just over 1 in 4.

A COMMON SCAM

A large bill is split into several smaller ones, each just under the approval limit, so a second approver never sees it.

Warning sign: several bills from one supplier on the same job, each just under the approval limit.

Sources: ACFE, Occupational Fraud 2026; ApprovalMax data

- [ ] You have written approval limits, so bills over a set amount need a second or more senior approver.
- [ ] Nobody can approve a bill that they raised themselves or that pays a supplier they added.
- [ ] Approvals are recorded with a name, date and time, not given by text message, phone call or a quick word on site.
- [ ] When an approver is away, a named backup approves bills, rather than the bills being paid without approval.
- [ ] Bills from new suppliers, or bills that are unusually large, get an extra review before approval.

Ticks in this section: _____ of 5

SECTION 4 OF 5

Paying suppliers and changing bank details

These checks stop money going to the wrong account.

A COMMON SCAM

An email that looks like it comes from a real subcontractor asks for future payments to go to a new bank account.

Before any change is made, someone should call the subcontractor on a phone number already on file.

- [ ] When a supplier asks to change their bank details, someone calls them on a phone number you already had on file, not the number in the email.
- [ ] Changes to a supplier's bank details are approved by a second person before the next payment goes out.
- [ ] The person who approves a bill is not the person who sends the payment.
- [ ] Before each payment run, someone checks the list of payments against the approved bills.
- [ ] Every month, someone compares your bank statement with the payments recorded in QuickBooks Online and looks into anything that doesn't match.

Ticks in this section: _____ of 5

SECTION 5 OF 5

Settings and records in QuickBooks Online

QuickBooks Online records what happens in your books. But you need to set up who can do what, and look at the records regularly. These checks make sure the system supports your controls.

A COMMON SCAM

Someone who has left the business still has a working login, and uses it to add a supplier or change bank details.

Warning sign: logins belonging to people who have left, or users nobody recognizes.

- [ ] Each person has their own QuickBooks Online login. Nobody shares a login.
- [ ] Each user can see and do only what their job needs. For example, a project manager can't edit supplier bank details.
- [ ] Someone reviews the QuickBooks Online audit log each month. The audit log is the record of who changed what in your books, and when.
- [ ] You close the books each month with a password, so nobody can change past transactions without permission.
- [ ] You remove a person's access on the day they leave the business.

Ticks in this section: _____ of 5

YOUR RESULT

What your score means

Add up your ticks from all five sections.

Your total score _____ **of 25**

21–25

Your accounts payable controls are strong.

Check them again in six months, and each time you add a new project manager or approver.

13–20

You have some controls, but there are gaps someone could use.

Start with any unticked checks in Sections 3 and 4. A gap in approvals or bank detail checks can send money straight out of the business.

0–12

Your business is exposed to fraud.

Set written approval limits and a bank detail check this month. Then work through the other sections.

ApprovalMax | for QuickBooks Online

ApprovalMax adds stronger approval controls to QuickBooks Online

QuickBooks Online keeps your books. ApprovalMax checks every bill against the rules you set, and controls who can approve and pay.

ApprovalMax sends each bill to the right approver
Bills over a set amount go to a second approver.

ApprovalMax keeps each job with a different person
The person who enters a bill can't be the one who approves it.

ApprovalMax records every decision
Each approval is logged with a name, date and time.

ApprovalMax Pay pays only approved bills
Available in the US with QuickBooks Online.

> **ApprovalMax will save you time, but more importantly, it will protect you from a fraud incident that could cost hundreds of thousands of dollars and your reputation.**

Trina Clairmont, CPA, Director of Business Transformation, The Corner Office (CFO)
A Canadian CFO firm working mainly with mid-market construction companies on QuickBooks Online

Book a demo

Start a free 14-day trial
No credit card needed

Sources: anonymized ApprovalMax data for bills and purchase orders approved October 1, 2025 to September 30, 2026, from organizations that allow data access. ACFE, *Occupational Fraud 2026: A Report to the Nations*, acfe.com/rttn