

Subject: Fiscal Policy #6 - Revised 2/24
ACCOUNTS PAYABLE

Objective: Choices In Community Living, Inc. will ensure that all bills and invoices for goods and services are paid on a timely basis. The goal of the accounts payable process is to ensure legitimacy and accuracy of any payment originating from Choices to any supplier/vendor.

- I. All incoming bills and invoices are to be sent to the fiscal department whereas they will receive, enter and approve invoices for payment. Fiscal will follow-up, if needed, with the respective individual/department for approval of invoices for verification of certain goods and services.
 - A. Bills and invoices, which need verification regarding certain goods and services, will be given to the appropriate personnel for validation. After validation is given, all invoices and bills will be processed for payment per appropriate invoice deadlines.
- II. An account payable transaction is typically recorded by Fiscal at the time an invoice is approved for payment and is recorded in the general ledger as an outstanding or open liability because the invoice has not been paid. A liability is deemed to have been incurred when the amount becomes payable.
- III. Checks are generated through the financial system (SAGE 50) charging the appropriate expense accounts.
- IV. Checks along with the pre-check register detail and bills and invoices are routed to the CEO.
- V. The CEO reviews the detail and signs the checks.
- VI. A copy of the check along with receipts and/or invoices are filed in the fiscal office.

Accounts Payable Management

The following procedures will be used to manage accounts payable.

1. As part of the monthly reconciliation process, the Financial Director will review the financial statements to determine whether all payables have been reconciled and recorded.
2. The unpaid payable invoices shall be filed together by vendor until they are matched with a payment. The invoices will be attached with the payment information during the disbursements process as the voucher is paid.
3. At the end of the fiscal year, accounts payables will be recorded as accrued liabilities of Choices to determine the amount due vendors for the respective fiscal year.