

# Kids Central, Inc. System of Care Policy & Procedure

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**Series:** Finance, Accounting and Contracts

**Policy Name:** Accounts Payable

**Policy Number:** 932

**Origination Date:** 08/23/06

**Revision Date:** 09/15/06

**Authority:**

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## **Policy:**

To ensure the timely processing of invoices, it is the policy of Kids Central, Inc. to maintain accurate accounting of all checks written for all expenditures and reimbursements.

## **Procedure:**

- A. Processing payments that are not related to the child placement data kept in ICWSIS.
  1. The Accounts Payable Clerk reviews and date stamps all invoices received from either inter-department mail or from the U.S. Postal Service mail.
  2. The Accounts Payable Clerk creates a voucher for each invoice that includes the following:
    - a. A routing cover form that lists the appropriate staff to review and approve the invoice, the invoice number, the date the invoice was received, the invoice due date, the general ledger accounts the invoice will be charged to, and the accounting period to which the invoice will be charged.
    - b. The invoice.
    - c. A copy of the Purchase Order if applicable.
    - d. Delivery forms or packing slips if applicable.
  3. The Accounts Payable Clerk retains a copy of the routing covers in the Routing File and delivers the vouchers to the first name listed on the routing form.
  4. Each employee listed on the voucher reviews the invoice for accuracy, signs their approval on the routing form, and forwards the voucher to the next employee listed on the routing form. When all required approvals are complete, the last employee listed on the routing form returns the voucher to the Accounts Payable Clerk.

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5. If any employee listed on the routing form, other than Contract Managers, finds an error with the invoice, they withhold their approval, write the problem with the invoice on the routing form and return the voucher to the Accounting Director. The Accounting Director or designee will contact the vendor and request a corrected invoice. Contract Managers contact providers directly to resolve invoice errors.
6. At least weekly, the Accounts Payable Clerk submits the vouchers for approved invoices to the Accounting Director, for invoices up to \$1,000, or the Chief Financial Officer for invoices greater the \$1,000. The Accounting Director and the Chief Financial Officer verify that all required authorizations are complete and review the general ledger account and accounting period that are being charged. The Accounting Director and the Chief Financial sign their approvals on the routing forms and return the vouchers to the Accounts Payable Clerk for entry into the Accounts Payable module.
7. For approved vouchers, the Accounts Payable Clerk removes the copies of the routing forms from the Routing File. At least weekly, the Accounts Payable Clerk reviews the routing file for vouchers that are near their due dates, but have not yet been approved. The Accounts Payable Clerk will check on the status of these vouchers and relay any problems to the Accounting Director for resolution.
8. Once the approved invoices are entered into the Accounts Payable module, each voucher is stamped "Posted" and placed in the Awaiting Payment file. A batch report is printed from the Accounts Payable module and filed in the batch report file by date.
9. At least weekly, a detailed accounts payable aging report is printed from the Accounts Payable module. The Accounting Director marks the items that are to be paid and has the Chief Financial Officer or Chief Executive Officer sign their approval of the selections on the report. After the selections are approved, a tape is run of the items to be paid.
10. Prior to printing actual checks, the Accounts Payable Clerk prints a pre-check writing edit from the Accounts Payable module. It is used to verify date, check numbers and amount paid. Once verified, the checks or direct deposit notices are printed and a check register report is printed from the Accounts Payable module. The check register report is forwarded to the Accounting Director for cash control update. The Accounting Director also verifies that the total of the check register report equals the amount on the tape that was run on items to be paid.
11. Checks are signed by the Accounts Payable Clerk using the automatic check signor (facsimile signature). All checks require dual signature. Any spoiled or voided checks are forwarded to the Accounting Director, or designee, for safekeeping in numeric order.

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12. Accounts Payable separates the check stub and attaches it to the corresponding vouchers in the Awaiting Payment file. The invoices in these vouchers are stamped "Paid". The checks, attached with any appropriate back up, are mailed to the vendor.
13. Accounts Payable files the vouchers for paid invoices in the vendor files. Each vendor has a separate folder in this file, which is maintained in alphabetical order.

## B. Processing payments that are related to the child placement data kept in ICWSIS.

1. Daily, the Intake and Assessment staff sends changes in child placement data to the ICWSIS Data Clerk.
2. Foster Care, Adoption Subsidy, and Independent Living payments are made monthly. For each payment batch, the ICWSIS Data Clerk prints a payment authorization list from ICWSIS.
3. The authorization list is reviewed by the Chief Operations Officer or designee. Any discrepancies in the information on the authorization list and the data kept in the Intake and Assessment department are researched and necessary corrections to child placement data is sent to the ICWSIS Data Clerk to update the ICWSIS system.
4. After all child placement data is updated, a new authorization list is printed and forwarded to the Chief Operations Officer, or designee, for review and approval. After it is approved, the authorization list is forwarded to the Accounting Director.
5. A batch report is prepared from the authorization list. The Accounting Director or designee uploads the ICWSIS payment data into the Accounts Payable module.
6. Prior to printing checks, the Accounts Payable Clerk prints a batch report from the Accounts Payable module. The Accounting Director verifies that the batch total from ICWSIS matches the batch total in the Accounts Payable module.
7. Accounts Payable prints the checks or direct deposit notices and a check register report from the Accounts Payable module. The check register report is forwarded to the Accounting Director for cash control update. The Accounting Director also verifies that the total from the check register report equals the ICWSIS batch report.
8. Checks are signed by the Accounts Payable Clerk using the automatic check signor (facsimile signature). All checks require dual signature. Any spoiled or voided checks are forwarded to the Accounting Director, or designee, for safekeeping in numeric order.

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9. Accounts Payable separates the check stub. The checks, attached with any appropriate back up, are mailed to the child care provider. The check stubs are filed alphabetically by care provider with a reference to their corresponding authorization list.

**Approved By:**

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Cynthia A. Schuler, Chief Executive Officer

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Date