

NWF Health Network Policy & Procedure

Series: 1300: Financial Management

Policy Name: Accounts Payable

Policy Number: 1320

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Policy

To ensure the timely processing of invoices, it is the policy of NWF Health Network, Inc. (NWFHN), to accurately manage the accounts payable system, maintain accounting of all checks written for expenditures and reimbursements, maintain up-to-date vendor files and produce accurate monthly reports.

Procedure

A. General Accounts Payable Procedures.

1. Original vendor invoices and certified vendor statements are processed. Invoices must be sent to the NWFHN Accounts Payable or other designated email. A purchase order with required receipts as back up is accepted in lieu of an invoice in the case of refunds, employee non-travel reimbursements and other extraordinary circumstances.
2. Before sending invoices to the NWFHN Accounts Payable or designated email, the following steps must be followed by the department:
 - a. Invoices are matched with the approved purchase order, if required by *NWFHN OP 1300-1322, Procurement of Goods and Services*.
 - b. Verify invoices for quantities, unit prices, freight charges and invoice total. Verify that sales tax has not been applied. Adjust the invoice as appropriate.
 - c. Submit approved vendor invoices to the NWFHN Accounting Department. Accounting Department must have the approved invoice by the attached payment schedule.
3. If delay of payment to the network from funders may cause a delay in payment to a provider, NWFHN will notify the provider.

B. Accounts Payable Check Writing.

1. The following steps are followed for processing vendor invoices:
 - a. All invoices are processed prior to entering into the accounts payable software module. Invoices are forwarded to the appropriate department if incomplete. No invoices or check requests may be payable to "cash."
 - b. Each week, designated Accounting Department staff or Budget and Compliance staff input invoices in batches into the accounts payable module.
 - c. Once the invoices are input into the accounting system an Unposted API session will be printed electronically and saved to the NWFHN secured shared network drive. Unposted API sessions are submitted for review to determine coding accuracy.
 - d. Invoice batches with the corrected AP Voucher Register are forwarded to Senior Accountants, Accounting Manager or designee for detailed review and approval. Following review, the

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batches are returned to the Accountant for any corrections and are rerouted for final approvals. The Director of Accounting, the CFO or a designee posts the AP batch.

- e. Valid and appropriate invoices received will be processed for payment no later than thirty (30) days after receipt.

An electronic copy of each check/voucher is validated against the electronic invoice package and maintained as an electronic file on NWFHN secure drive. The check and invoice stub are mailed/mailed to the vendor. These files are in "AP Session Number" sequence for easy electronic reference.

2. The following steps are followed for processing FSFN payments:

- a. Recurring payments for Foster Care, Independent Living, Adoption Subsidies and other non-recurring FSFN data is exported from FSFN after verification from the Vouchering Supervisor or designee and provided to the fiscal department by a designated time each month.
- b. Data is validated prior to importing into the accounting system by a designated accounting staff. Vendor ID's are verified as established vendors existing in the accounting system. Any new ID's are only entered from an original FSFN generated invoice. The data import file is matched to the FSFN checkwrite file and OCA Summary Report to verify totals and accuracy.
- c. Once the data is validated, the designated accounting staff will import into the accounting system, and run an Accounts Payable Voucher Register that reconciles to the FSFN documentation.

- C. All processed invoices with the corrected AP Voucher Register are forwarded to the CFO, Director of Finance and Accounting, or designee for review and approval and appropriate coding. Approval is indicated on the AP Voucher Register (initials). Corrections are recorded and final approvals (initials) are indicated on batch report. The Director of Finance and Accounting, CFO or designee posts the AP batch.

1. **Check Processing.**

- a. A designated accounting staff prints the pre-check writing report for the items selected for payment and reviews for reasonableness of vendor names, coding as to Fund Code, Corp Code, Cost Pool Code and amounts. In addition, the designated Accountant prints bank balance report to identify cash need and availability. The reports are forwarded to the DFA, CFO, or designee for review. Authorization on these reports is indicated by the Director of Finance and Accounting or the CFO.
- b. Designated accounting staff print checks and electronic funds transfer vouchers ("vouchers"), and send notification to CFO, Director of Finance and Accounting or designee for the batch to be posted.
- c. All blank check stock is kept in a locked cabinet and/or file cabinet. Keys are maintained by the DFA or designated accounting staff. Checks are signed out by two Accountants or designee using the Check Control Form, which verifies receipt of checks. Once the printing process is complete, two Accountants or designee signs the Check Control Form verifying the next check number for the upcoming check batch. Checks/Vouchers are returned to the locked cabinet until subsequent checks are issued.
- d. The CFO, Director of Finance and Accounting or designee posts the check write batch to the detailed general ledger and a designated accountant produces a check register to utilize in the verification of check/voucher process.

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- e. All checks have dual signatures.
- f. Printed checks and vouchers are provided to the Fiscal Assistant(s). The Fiscal Assistant(s) or designated accountant must reconcile the checks/vouchers with the corresponding invoices and purchase orders prior to distribution of the checks/vouchers and prior to upload of the electronic funds transfer file to the bank. Once the Fiscal Assistant(s) or designated accountant verifies the backup to the checks/vouchers, this is communicated to the CFO, Director of Finance and Accounting or designee. Checks/Vouchers are processed for mailing.
- g. After APS sessions have been posted in the accounting system, designated accounting staff generate positive pay upload file from MIP and upload those files in the online banking platform.
- h. The Fiscal Assistant(s) or designee will then send the Voucher EFT file to the bank.
- i. Positive pay exception reports for both ACH and check payments are generated by the banking institution daily. Positive pay exception reports are received by the Director of Accounting and all designated accounting staff. Positive pay exceptions are decisioned daily by designated accounting staff. All decisions are entered in the online banking platform prior to the deadline designated by the banking institution.

D. Accounts Payable/Expense Month-End Process. All invoices for the month are posted as follows by Accounts Payable.

1. Enter the final vendor invoices for the month into the Accounts Payable module as detailed in the weekly procedure.
2. Accounts Payable balances are reviewed for reasonableness by the CFO, Director of Accounting or designee.
3. The Director of Accounting, the CFO, or designee perform a detailed review of the general ledger during the month end closing process for proper coding, missing invoices and other unusual transactions.