



YES FOR EARLY SUCCESS COOPERATIVE

Accounts Payable Policies, Procedures, and Internal Controls

POLICY NUMBER: AP-003

PURPOSE

The purpose of this policy is to ensure that all accounts payable expenditures for YES For Early Success Cooperative are accurate, allowable, reasonable, and properly allocated. This policy aligns with our commitment to financial stewardship, transparency, and equity. The policy also integrates Liberatory Design principles, ensuring that decision-making processes are inclusive, equitable, and support the organization's vision and mission.

VISION

At YES For Early Success Cooperative, our vision is to ensure every child and family has equitable access to high-quality early childhood education. Our financial processes, including accounts payable, must support this vision by ensuring that funds are spent responsibly and equitably across the organization.

MISSION

Our mission is to partner with early childhood education programs to ensure that every child and family is supported by high-quality, culturally responsive services, and that our subcontractors are equipped to succeed in providing sustainable, equitable care for their communities. Accounts payable processes must directly support this mission by ensuring that resources are properly allocated and aligned with our program objectives.

CORE PRINCIPLES OF LIBERATORY DESIGN

- **Equity:**

All financial processes, including accounts payable, must prioritize equitable access to resources. The decision-making process should center the needs of underserved and marginalized communities.
- **Inclusion:**

All voices, including staff, subcontractors, and community partners, should be considered in financial decisions. Inclusive processes ensure that financial allocations meet the needs of all stakeholders.
- **Transparency and Accountability:**

Clear, transparent documentation and processes must be in place to ensure all expenditures are traceable and in alignment with organizational values and objectives.



YES FOR EARLY SUCCESS COOPERATIVE

Accounts Payable Policies, Procedures, and Internal Controls

SCOPE

This policy applies to all expenditures processed through accounts payable at YES For Early Success Cooperative. It covers all staff members involved in making purchasing decisions, approving payments, and processing financial transactions, including the Executive Director, CFO, COO, Regional Directors, Family Support Manager, Office Coordinator, Board Treasurer, and Parent Policy Board Member Representative.

ROLES AND RESPONSIBILITIES

- **Executive Director (ED):**
Provides final approval on all major accounts payable transactions to ensure alignment with the organization's mission and financial capacity.
- **Chief Financial Officer (CFO):**
Oversees the accounts payable process, ensuring that all expenditures are allowable, reasonable, and properly allocated according to funding sources and budgets.
- **Chief Operating Officer (COO):**
Ensures that day-to-day operations related to accounts payable are smooth, timely, and compliant with organizational policies.
- **Office Coordinator:**
Responsible for reviewing and signing off on initial procurement requests and ensuring they are routed to the appropriate department for approval. The Office Coordinator also works with the Bookkeeper during the review and reconciliation process and turns over the books to the CFO for final approval.
- **Bookkeeper:**
Responsible for recording all accounts payable transactions accurately in the financial system, ensuring that all supporting documentation is available, and maintaining the integrity of the accounting system. Works closely with the Office Coordinator during the reconciliation process.
- **Regional Directors and Family Support Manager:**
Responsible for submitting requests and ensuring that expenditures meet regional needs and align with the organization's mission and standards.
- **Board Treasurer:**
The Board Treasurer plays a critical role in reviewing financial documentation and ensuring that all accounts payable transactions are accurate and comply with both organizational policies and external funding requirements. The Board Treasurer works closely with the CFO to ensure transparency and accountability.



YES FOR EARLY SUCCESS COOPERATIVE

Accounts Payable Policies, Procedures, and Internal Controls

- **Parent Policy Board Member Representative:**

The Parent Policy Board Member Representative provides input from the community, ensuring that financial decisions, including accounts payable processes, reflect the needs and priorities of families and the communities served by YES For Early Success. They collaborate with the Board and staff to ensure that expenditures align with the cooperative's vision and mission.

POLICY NUMBER: AP-003

1. ACCURACY AND ALLOWABILITY OF EXPENDITURES

- **Pre-Approval Process:**

All purchases must be pre-approved before processing payment. This ensures that expenditures are necessary, allowable, and aligned with the organization's mission. The approval process follows specific thresholds for approval:

- Purchases under \$5,000 require approval from the Regional Director and COO.
- Purchases between \$5,000 and \$10,000 require approval from the CFO and ED.
- Purchases over \$10,000 require approval from the ED and the Board.

- **Documentation:**

All accounts payable transactions must be supported by original documentation, such as invoices, purchase orders, or contracts, which are reviewed and approved by the appropriate department heads.

- **Allowability of Costs:**

The Office Coordinator and Bookkeeper must ensure that all expenditures meet the allowability guidelines as outlined by funding sources (e.g., DCYF, ECEAP). Expenditures that are not allowable under the terms of grants or contracts will not be processed.

- **Compliance with Funding Requirements:**

Each expenditure is checked against funding agreements to ensure compliance. For example, grant-funded purchases must directly support program objectives and adhere to the specific guidelines of the funding agency.

2. REASONABLENESS OF EXPENDITURES

- **Cost Analysis:**

Before making a payment, the Office Coordinator and COO will evaluate whether the cost of the item or service is reasonable. This includes comparing prices from multiple vendors (when applicable) and reviewing the necessity of the purchase for program success.



YES FOR EARLY SUCCESS COOPERATIVE

Accounts Payable Policies, Procedures, and Internal Controls

3. PROPER ALLOCATION OF EXPENDITURES

- **Budget Coding:**

All expenditures must be allocated to the appropriate program and funding source using the organization's budget codes. The Office Coordinator and Bookkeeper are responsible for ensuring that expenses are accurately coded and charged to the correct budget line item.

- **Grant Funding:**

When expenditures are related to a specific grant, they must be allocated in accordance with the grant's budget and funding guidelines. Expenditures related to multiple programs must be allocated based on an appropriate allocation method, such as time spent or the number of program participants.

4. SEGREGATION OF DUTIES

- **Purchasing:**

Staff members who initiate procurement requests cannot approve their own requests. This ensures that multiple staff members are involved in the purchasing and payment process, reducing the risk of errors or misuse of funds.

- **Approval and Payment:**

The person responsible for approving an expenditure (e.g., Regional Director, COO, or CFO) cannot also process the payment. The Office Coordinator and/or Bookkeeper processes payments only after they have been approved by the appropriate parties.

5. REVIEW AND RECONCILIATION

- **Monthly Reconciliation:**

The Office Coordinator will work with the Bookkeeper to reconcile the accounts payable records with the organization's bank statements and QuickBooks/Spreadsheet and or Waves accounting entries on a monthly basis. After their review, the books will be turned over to the Board for final approval. Any discrepancies must be investigated and resolved promptly.

- **Quarterly Review:**

The CFO conducts a quarterly review of all accounts payable transactions to ensure compliance with internal policies and funding requirements. These reviews are presented to the Board for oversight and transparency. The Board Treasurer participates in the quarterly review to ensure financial accountability and compliance.



YES FOR EARLY SUCCESS COOPERATIVE

Accounts Payable Policies, Procedures, and Internal Controls

LIBERATORY DESIGN IN PRACTICE

- **Inclusive Decision-Making:**

The accounts payable process must involve input from relevant staff and subcontractors to ensure that financial decisions are informed by the needs of all stakeholders.

- **Transparency:**

All expenditures and their allocation will be documented and shared with the Board during quarterly reviews. This ensures that all financial decisions are transparent and open to review.

- **Equitable Resource Distribution:**

Expenditures should prioritize the equitable distribution of resources, especially to underserved regions and subcontractors. The organization will ensure that procurement and payment practices do not favor certain groups over others but reflect the values of equity and inclusion.

CONCLUSION

The YES For Early Success Cooperative Accounts Payable Policies and Procedures ensure that all expenditures are accurate, allowable, reasonable, and properly allocated. By embedding Liberatory Design principles into our internal controls, we ensure that our financial processes are transparent, inclusive, and aligned with our mission to provide equitable access to high-quality early learning opportunities for all.