



3000 - Finance 640 - Accounts Payable

1. Policy

Only valid transactions based on approved, documented vendor invoices, receiving reports, or other approved documentation are recorded as accounts payable. All disbursements, including accounts payable must be made consistent with Cash Disbursement Procedures. Vendors and suppliers are paid as their payment terms require (and which Providence Hall Charter School [PHCS] and which PHCS agrees), taking advantage of any discounts offered. If cash flow problems exist, payments are made on a greatest dependency/greatest need basis, considering critical disbursements, including payroll and tax obligations, etc. Payroll (wages earned by employees) and all tax liabilities (including payroll) must always be paid. The Executive Director shall not allow liquidity levels to be such that payroll and tax liabilities and obligations cannot be made—the Executive Director must act before liquidity levels fall to extreme levels and must ensure liquidity is sufficient for wages earned and related taxes to be paid.