

KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM  
BUSINESS PROCEDURES MANUAL

Procedure 1.8  
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Effective Date: September 1, 2009  
Supersedes: Business Procedure 1.8 dated April 15, 2003  
Applies To: Colleges and System Office  
Procedure Responsibility: System Office of Business Services

## **Audit and General Operations Records Retention**

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### **Section 1.8.1 – Document Logs**

Each college has the responsibility of assigning document numbers as required by business procedures. Each college must keep separate document logs by document type, listing the date issued, to whom issued, and date paid or transmitted for payment, as required by the applicable procedure. When remote data entry is used, the batch cover sheet may be used in lieu of the document log.

### **Section 1.8.2 – Document Files**

Each operating unit shall maintain basic files including at a minimum a copy of the following types of financial transactions.

1. All travel expense or other reimbursement vouchers
2. Purchase requisitions
3. Inter Business Unit charges
4. Packing list for any goods received
5. Any contract between the college and another party
6. Any Memorandum of Agreement or Understanding
7. Cash or payment receipt books
8. Cash proof sheets
9. Cash register tapes
10. Deposit tickets and bank statements
11. Invoices
12. Credit card receipts

13. Electronic fund transfer (EFT) records
14. Imprest Cash Schedules and back-up documents
15. Any source or original document supporting a transactions made in the PeopleSoft financial system

### **Section 1.8.3 – Reconciled Accounting Reports**

Any reports used to reconcile accounts as well as regular financial system reports. The reports, worksheets, and reconciliation are to be filed.

### **Section 1.8.4 – Perpetual Inventories**

Perpetual inventories of supplies and items on hand for resale are to be kept for all resale operations. This may be either a card or computer record which shows for each item: The transaction date, document number, purchases, quantity obtained or purchased, sold or issued, damaged or missing, current balance of quantity on hand, and dollar value. The perpetual record is to be verified and supplemented by physical inventories semiannually (unless other applicable procedures or the KCTCS Comptroller grants an exception waiver). Any differences between the perpetual record and the physical inventory are to be adjusted and accounted for at those times. This procedure is not applicable to auxiliary operations.

### **Section 1.8.5 – Vehicle Logs**

A usage log shall be kept for each assigned vehicle. The log should list the date and time driven, odometer reading in and out, and destination.

### **Section 1.8.6 – Equipment Inventory and Maintenance Records**

- A. Information concerning the equipment inventory system, procedures, records, and reports are included in the Facilities Operations Section 2 of the business procedures.
- B. An Equipment Maintenance Record is to be kept and summarized annually showing that all equipment has been inspected and maintenance done to keep it in safe operating condition. This record is a required part of safety inspections and lists the following: machine, part or process inspected, date inspected, condition (acceptable or unacceptable; defective condition, corrective action, date repaired and returned to service. Each instructor must keep this record to document annual inspection of shop equipment.

**Section 1.8.7 – Maintenance Cost Records**

Each college must maintain a record of the maintenance costs of each major item of motor or mechanical equipment. The records for vehicles must contain maintenance and operating expenses (gasoline, spark plugs, tires, oil, grease, etc.).

**Section 1.8.8 – Records Retention Schedule**

The Records Retention Schedule is listed on the Point for college references. The schedule will define the legal requirements for maintaining all records, including financial, student and other administrative records.

**Section 1.8.9 – Purchasing Record Keeping Requirements**

Refer to Business Procedure 4.12 for additional requirements for purchasing documents.

**END OF PROCEDURE**