ACCOUNTING POLICIES AND PROCEDURES

Original Date Issued:
04/01/2016

Last Revision Date:
04/01/2016
Policy:  
1.00  
Subject:  
Introduction; Objectives; Accounting Standards  
Reference(s):  
KRS45A; 45.301; 45.237 KAR title 200; FAPs  
Revision Date:  

Introduction

A. Business policy consists of an organization’s strategic and operational actions related to the organization’s mission, objective and procedures. The Education and Workforce Development Cabinet (EWDC), Office of the Secretary, Division of Administrative Services (DAS), has as a mission to best support and assist the EWDC departments in financial, administrative, and operational matters using our best efforts and abilities and in a manner that complies with all applicable laws, including, but not limited to KRS 45A; 45.301; 45.237; KAR, Title 200; and Finance Administrative Policies (FAPs). We must perform our duties and assist each member of the agency with a professional and positive attitude.

Our strategies, objectives, policies, and procedures are intended to enable us to perform our duties imposed by law and in accordance with the law and to meet established budgetary goals and professionally, ethically, and capably perform our operational responsibilities. We expect our employees to maintain an attitude that promotes and reinforces positive interactions conducive to producing quality work. We will take personal responsibility for our work and ensure that our actions reflect the best interests of the EWDC.

In Division of Administrative Services, accounting responsibilities are a substantial portion of our work duties which require separation of duties to ensure the appropriate controls are in place. In all circumstances, the same person who enters a document for payment processing will not be permitted to approve the same document. Nor will any person procuring an item or service be permitted to process payment for the item or service.

DAS also serves as advisor to the EWDC on matters involving accounting, procurement, property, facilities, archiving, reporting, and fiscal management and that role must make every effort to assist the EWDC in complying with all applicable accounting standards and guidelines.

B. EWDC Accounting Standards

EWDC must comply with all Commonwealth of Kentucky laws, including but not limited to KRS 42.0201; KRS45.305 and 48.800; 200 KAR 38:070. Accounting standards shall be those generally accepted government accounting standards as promulgated by the Governmental Accounting Standards Board, or other pronouncements having similar generally recognized authority.
Likewise, all policies and/or procedures (FAP’s) established by the Kentucky Controller’s Office are adopted by EWDC.

<table>
<thead>
<tr>
<th>Policy:</th>
<th>Subject:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.01</td>
<td>Financial Management Systems - Requirements</td>
</tr>
<tr>
<td>Reference(s):</td>
<td></td>
</tr>
<tr>
<td>KRS 42.0201(3)</td>
<td></td>
</tr>
</tbody>
</table>

The EWDC shall utilize the accounting system designated by the Controller’s Office of the Commonwealth of Kentucky (eMARS) for all accounting transactions.
The EWDC shall maintain its general ledger within the accounting system designated by the Finance and Administration Cabinet. All necessary subsidiary ledgers or documentation shall be maintained either electronically or hard copy as called for in the Commonwealth’s records retention schedule (FAP 120-21-00). The agency shall maintain records and accounts of expenditures in accordance with Generally Accepted Accounting Principles (GAAP) and retention schedules.
The EWDC fiscal year shall be the fiscal year of the Commonwealth of Kentucky, July 1 through June 30. The period cut-off schedule shall be that determined and published by the Commonwealth of Kentucky, Finance and Administration Cabinet, Office of the Secretary.

The schedule of closing procedures includes the deadlines for final eMARS document approvals that apply to accounting, purchasing, budgeting, and personnel matters. It is important that all agencies comply with the document completion schedule and procedures outlined in closing memorandum in accordance with FAP 111-25-00.
The chart of accounts for EWDC shall contain those segments prescribed by the Controller’s Office of the Commonwealth of Kentucky and shall include the fund designation, appropriations unit, allotment unit, program budget unit, and object codes. New accounts may be established through the prescribed procedures established by the Office of the State Budget Director and the Controller’s Office. Accounting segments designated as "agency-controlled" will be established by the agency’s Branch Manager of Fiscal Services after consultation with managers involved.
A. **Internal Control Needs**

DAS, Fiscal Services Branch Manager, will implement and maintain all possible accounting related internal control mechanisms.

B. **Audit Function Required**

Under contract with the Finance and Administration Cabinet, Office of the Controller EWDC, DAS assumes the “audit” function on all transactions made to ensure compliance with Commonwealth of Kentucky policies/procedures/statutes. All staff in the Fiscal Services Branch performs audit functions as it pertains to their job duties and responsibilities.

C. **Journal Vouchers Corrections**

All necessary journal voucher corrections made by DAS staff will be approved by the Fiscal Services Branch Manager or Division of Administrative Services Director. Journal voucher corrections shall be made in eMARS. DAS staff will create the journal voucher corrections using the correct document type, ensuring all accounting elements are corrected as requested by Cabinet staff.

D. **Grants**

All necessary grant and program set-ups, payment of invoices for grant-related activities, and reporting will be done according to the state-wide accounting system requirements. Set-up information will be provided by each department or office’s grant manager to the EWDC, DAS.
A. External Financial Reports

Reports prepared for external distribution shall be reviewed and approved by the Secretary or designee prior to distribution.

B. Special Reports

Special reports and requests for queries from eMARS reporting may be created and distributed by DAS staff through the DAS Director.

C. Grant Reports

DAS will complete the Schedule of Federal Expenditures. Agencies are to complete other federal grant reporting.
A. **General**

To ensure compliance with KRS 41.070 and the Finance and Administration Cabinet Agency Guidance for Cash Handling, EWDC, DAS will establish and maintain internal procedures for cash handling and deposits.

B. **Deposits made by the Division of Administrative Services**

Any funds received by EWDC staff must be immediately entered into ledgers maintained by the agency and then, when appropriate, forwarded to DAS for processing. This includes but is not limited to reimbursements for expenditures and building lease payments.

DAS staff shall follow the following cash handling procedure when making cash deposits:

The term “cash” is defined to include coins, currency, checks, and money orders. This procedure details measures to minimize the risk of loss by segregating duties, defining processes, establishing audit timetables, etc. This procedure encompasses processes for handling cash from walk-in activity as well as receipts delivered via mailing services (USPS and messenger mail).

- **Mail Opening** - All cash receipts will be opened daily with two people present. The prime assignment for mail opening of cash receipts will be the Fiscal Services Branch Manager and a Fiscal Services Branch employee. The Division Director or designee will serve as a replacement in the absence of the FS Branch Manager or employee. These people will have access to update the cash logs (see below). All checks and money orders will be date stamped right after the envelope is opened (on the stub, on the accompanying documentation, or on the check itself). Documentation accompanying coins and currency will be date stamped right after opening the envelope.

- **Check Logs** - Immediately after opening the mail (before working on other tasks) the two people will go to one of their offices/cubicles and together document the cash receipts. They are logged sequentially and that number is written on the check or documentation for coins/currency. After logging, the checks will be given to the person who prepares the CRs for immediate CR processing or given to one of the managers to put into the safe.
Policy: 1.07 (continued)  

Subject: Cash Receipts

Reference(s): KRS 41.070  

Revision Date: 

until the CRs can be prepared. After CRs are prepared and approved (see process below), the Fiscal Branch manager will update the check log to include the CR number.

- **Safe** - Access to the safe will be restricted to the branch managers and division director in this office. If all management is absent, the person logging the checks shall secure the checks in a locked cabinet until a manager’s return.

- **CR preparation** - CRs will be prepared within one business day of receipt, when feasible, and in no more than 3-3 business days. After entry into eMARS the documentation will be given to the Fiscal Branch manager for approval. The approver will ascertain that the cash receipt shows a log number, that the proper amount is being deposited with the CR, and that accounting information is appropriate. The approved CR will be placed in the file bin. The submitter will complete the proper documentation and transmit the cash to Treasury via courier within one business day.

- **Internal Documentation** - Internal agencies are asked to send documentation providing an itemized list of the checks/cash, the appropriate accounting, and a brief description of the deposit with any cash or checks sent to this office.

- **Suspicion of Failure to Follow this Process** - Any DAS employee who suspects a discrepancy in following this cash handling procedure should report that suspicion to his/her manager and/or to the Executive Director.

**C. Deposits made by EWDC agencies other than the Division of Administrative Services**

Agencies shall be responsible for the cash deposits of agency specific funds and shall develop internal controls for the cash handling and deposit procedures for their offices complying with KRS 41.070.
Policy: 1.08  
Subject: Procurement  
Reference(s): KRS45A; 200 KAR Chapter 5; FAP’s  
Revision Date:  

A. General  

1. Statutory authority governing Kentucky procurement and contracting is established by Kentucky Model Procurement Code KRS 45A, as further implemented by 200 KAR Chapter 5 Purchasing Policies and procedures detailed in the Finance and Administration Cabinet Manual of Policies and Procedures (FAPs) were developed in accordance with KRS 45A.045 and are incorporated by reference as an administrative regulation pursuant to 200 KAR 5:021.  

A provision within the statute allows delegation of purchasing authority to other state agencies. The delegated authority requires EWDC to fully comply with Chapters 45 and 45A of the Kentucky Revised Statutes and all applicable Finance and Administration Cabinet (FAC) regulations, directives and will be subject to compliance or special audits by the Finance and Administration Cabinet.  

FAC has granted EWDC a $5,000 delegated authority on all commodity and nonprofessional service purchases and a $20,000 delegated authority for small construction procurements. Procurement requirements shall not be parcelled, split, divided, or scheduled over a period of time in order to subvert the intent of this procedure.  

The EWDC may not execute change orders and/or contract modifications that were originally executed by the FAC.  

Improper or irregular transactions are not valid or binding on the state. Any person making such a purchase can be held personally liable for the amount of the transaction. For example, if a requestor authorizes a vendor to send goods/services and the Cabinet has no legal method to pay for the items/services, the requester could be forced to pay for those goods/services. Penalties are per KRS45A.990.  

2. All purchases are subject to the availability of sufficient budget funds for that budget unit unless approved by the Office of Budget and Administration, Executive Director.  

3. KRS 139.470(7) provides that the sales and use tax does not apply to purchases of tangible personal property or services made by EWDC. The tax Number is ST037211.  

EWDC is exempt from federal excise tax. States and local governments do not have federal excise tax exemption numbers. See FAP 110-00-00(5) (i).
Policy: 1.08 (continued - 1)  

Subject: Procurement

Reference(s):  
KRS45A; 200 KAR Chapter 5; FAP’s

Revision Date: 

B. Purchasing

The EWDC, Division of Administration Services staff, to best of their ability, will provide guidance, support, and uniformity in the interpretation and administration of purchasing laws, policies, procedures and regulations.

The EWDC, Division of Administrative Services, Procurement Branch is responsible for procuring commodities, nonprofessional services, personal service contract (PSCs), and memoranda of agreement (MOAs). MOAs and PSC’s shall be created in eMARS per FAP 111-44-00 and, if required, are filed with the Legislative Research Commission’s (LRC) Government Contract Review Committee (GCRC). No work shall begin prior to final approval of the PO2 or PON2 document in eMARS.

The following are the Procurement Branch activities:

1. The Procurement Branch will assist EWDC requestors in preparing specifications and the proper method of procurement for each need or request;

2. Will review specifications submitted by EWDC agencies, prepare solicitation terms and conditions, issue request for proposals (RFP’s), and/or request for quotes (RFQs), and create contracts from delegated items;

3. Process emergency and special authority purchases;

4. Notify EWDC agencies of contract expiration and renewal deadlines. Modify existing contracts as necessary;

5. Process performance evaluations (PE) documents throughout the contract period and at expiration (including vendor complaints);

6. Completes the request for proposal (RFP) process for the establishment of PSC’s, facilitates proposal evaluation committee, and awards contracts based on the evaluation committees recommendation and scoring;

7. Facilitates MOA’s between EWDC and other governmental entities and political subdivisions. Modifies contracts as necessary.
C. Department Purchase Requisition (DPR)

1. EWDC requesting agency employees should prepare a DPR form for requests for all purchase of commodities and services, whether with an outside vendor or another state agency. All purchases must have prior approval. Approvals must be received for these purchases as follows: $1-$499 approval by Branch Manager; $500-$999 approval by Division Director; $1,000 or more approval by Executive Director.

2. The approved DPR, detailed specifications, quotes and any other required documentation will be forwarded to the EWDC, Division of Administrative Services, Purchasing Branch Manager for processing.

EWDC operates with the following guidelines:

Commodities and Services:
Small purchase limit $5,000
1 quote, less than $3,000
3 quotes, between $3,000 and $5,000 (at least one request for quote shall be sent to an ethnic minority vendor*)

Construction:
Small Purchase limit $20,000
1 quote, less than $10,000
3 quotes, between $10,000 and $20,000 (at least one request for quote shall be sent to an ethnic minority vendor*)

*The term “ethnic minority” means African-American; Hispanic American, Asian Pacific American; Subcontinent Asian American or Native American.

Minority vendors can be found on the Small Business Connection website https://secure.kentucky.gov/sbc/database.aspx, Kentucky’s Minority and Women Business Enterprise Certification Program’s listing of Minority-Owned businesses (MBE and MWBE only), or in eMARS using the VENDCMBT table.

All vendors must quote based on the same set of specifications.**
**No quotes are required if goods and services are available on a state Master Agreement or if total purchase is under $1,000.**

3. Delivery shall follow all guidelines established by FAP 111-41-00. The EWDC requesting agency shall be responsible for monitoring the delivery schedule, receipt, and verification of all requested products and services. The requesting agency shall:

- Check the condition of the commodity and explain exposed or apparent damage on the freight bill before accepting delivery;
- Ensure that commodity is the same as specified in the order;
- Verify that the quantity received corresponds with the quantity ordered;
- Notify the common carrier and vendor of any concealed damage within 15 days after receipt of delivery;
- Notify the vendor of any other problems concerning the shipment;
- Care for the commodity until delivery is made to the end user;
- Prepare and/or keep the proper record of receipts;

If experiencing problems with vendor performance on service contracts during any given contract period, an agency may submit a vendor complaint to the EWDC, Procurement Branch via email.  
NOTE: When a requesting agency first experiences a minor problem with a vendor, they should contact the vendor directly and attempt to resolve the problem before sending a complaint to the Procurement Branch.
If submitting a vendor complaint, the complaint shall include the following:

- Delivery Order or Contract number;
- Vendor name;
- Commodity or service involved;
- Nature of complaint;
- Action taken to date by the requesting agency;
- Requesting agency proposed corrective action.

D. **Required Use of Master Agreements**

Agencies are required to purchase from an “All State Agency” Master Agreement, according to the Finance and Administration Policies and Procedures FAP 111-37-00(3), which is also incorporated into administrative regulations, and which has force of law.

According to FAP 111-55-00 the only exception referenced above is that items may be purchased under small purchase authority from another vendor if the aggregate amount of the total requirement is less than either $1,000 or the higher amount required for a minimum order in a specific Master Agreement.

E. **Printing Orders**

All printing must be ordered from a Master Contract/Agreement established by the Finance and Administration Cabinet, Office of Material and Procurement Services, pursuant to FAP 111-12-00.

Printing may be ordered from the Transportation Cabinet’s Division of Printing Services using an Order for Printing, a Quick Copy Center transmittal, or approved electronic document. The Transportation, Division of Printing will fill the order, place the order with the Division of Correctional Industries, or recommend that the requesting agency seek private sector services through the Office of Material and Procurement Services.
All printing not performed in-house, by a state agency, as outlined above shall be procured by a Purchase Request through the state’s procurement system or other approved electronic format. No order for printing, for any amount, shall be placed with any firm except through the Finance and Administration Cabinet, Office of Material and Procurement Services.

All printing guidelines can be found in FAP 111-12-00 and KRS Chapter 57.

F. Emergency Purchases

An emergency purchase per 45A.095 is a situation which creates a threat or impending threat to public health, welfare, or safety such as may arise by reason of fires, flood, tornadoes, other natural or man-caused disasters, epidemics, riots, enemy attack, sabotage, explosion, power failure, energy shortages, transportation emergencies, equipment failures, state or federal legislative mandates, or similar events.

Poor planning does not constitute an emergency.

When an emergency occurs per FAP 111-39-00, the requesting unit shall contract the EWDC, Division of Administration of Services immediately or on the next business day if the emergency occurs on a weekend or holiday. Requesting units shall document the pertinent facts concerning the emergency, including but not limited to:

- Description of emergency
- When did the situation become an emergency
- Specific location
- Digital pictures, when possible
Per FAP 111-39-00, the requesting unit shall get quotes to the extent practical (depending upon the impending threat to the public) to enable the Division of Administrative Services to have all the necessary information from the vendor (including their quote and signature). The quote form shall state ALL requirements specific to the quote including but not limited to:

- Certificate of General Liability and Worker’s Compensation Insurance;
- Required Affidavit for Bidders, Offerors, or Contractors;
- Note that the successful vendor will be contacted and may be required to provide a performance bond and payment bond in the amount of the contract prior to performing any work;
- Note that the vendor may be required to pay employees prevailing wage rates.

Per FAP 111-39-00(b), the requesting agency’s office or department head shall send a letter to the EWDC, Division of Administrative Services that includes:

- An explanation of the emergency condition
- All documentation gathered in requirements above
- Name of vendor selected
- Estimated cost of total purchase
- Other price quotes that were obtained
- Basis for selection of vendor

Using the information provided in the letter, the EWDC, Division of Administrative Services will draft a memorandum to the Finance and Administration Cabinet (FAC) Secretary requesting permission to process the purchase as an emergency purchase.

After receiving approval from FAC, the Division of Administrative Services will create a purchase order (PO) document in eMARS (using FAP 111-39-00 as the cited authority for the PO) with approval letter, SPR1, and required affidavit scanned and attached at the header.

After all work is completed and the vendor submits a proper invoice, the EWDC will make payment against the PO contract.
G. Fixed Asset Purchasing

The EWDC requires that all fixed assets (furniture and equipment purchased at a cost of $500 or more) must be purchased using the Department Purchase Requisition (DPR) form and must have prior approval. After necessary approval is received the fixed asset may be purchased through use of the Pro-Card or through Administrative Services.

H. Leasing of Equipment and Services

Requested for leased equipment must follow FAP 111-52-00 and agency must send request to EWDC, Division of Administrative Services via approved DPR.

The following factors must be considered before equipment and services lease agreements are finalized:

- long term cost
- future needs
- depreciation
- penalties
- lease/rental vs purchase justification
- has agency gotten more than one quote

A lease agreement shall not be formalized between the Commonwealth and any lessor for the intended purpose of circumventing the requirements of competitive bidding and normal purchases procedures. EWDC, Division of Administrative Services may formalize a lease or rental agreement, which does not exceed its small purchase authority without prior approval from the FAC, Office of Material and Procurement Services.

If the contemplated lease agreement exceeds the EWDC’s small purchase authority, the EWDC, Division of Administrative Services shall forward a Purchase Request to the FAC, Office of Material and Procurement Services in eMARS for review and approval. If approved the Office of Material and Procurement Services shall issue the appropriate contract document in the states procurement system.
I. Leasing of Office Space

The EWDC may not execute contracts or documents for the conveyance or acquisition of real estate, or for lease of real property, in accordance with KRS45A.045 (9), KRS56.463, FAP220-15-00 and FAP220-16-00.

All leasing of space is made by the Property Officer within EWDC, DAS, Facilities Branch. Requests for space are made by written notice to the Property Officer who will act as liaison with FAC, Division of Real Properties. No staff is to make contact with potential landlords regarding new space.
<table>
<thead>
<tr>
<th>Policy:</th>
<th>Subject:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.09</td>
<td>Vendor Payments and Inter-accounts</td>
</tr>
</tbody>
</table>

Reference(s):
KRS 45.453, FAP 120-05-00, FAP 111-45-00

Revision Date:

### A. Vendor Payments

1. Payments shall be made from invoices only. Statements may not be used as original documentation for any payment.

2. All invoices received are to be date stamped upon receipt by the agency.

3. Within ten (10) working days of receipt of an invoice, the appropriate manager (or designee) must sign all invoices to show that all goods/services were received and to authorize payment. The manager or designee must indicate where the expense should be charged, then submit the invoice to the DAS, Fiscal Services Branch for payment. This excludes payments of utilities or on-going contracts where approval and funding have already been supplied.

4. Once invoices are received by the Fiscal Services Branch they are date-stamped and audited for accuracy of billing, accounting information, proper approval, etc. Invoices missing needed information will be returned to the agency for completion and returned to the Fiscal Branch for processing.

5. Once audited, all invoices containing necessary information will be entered into the accounting system (eMARS), showing the document number assigned, the initials of the person applying level 1 approval, and forwarded to the appropriate staff for level 2 approvals. Second level review and approval is applied with initials recorded on the payment document hard copy cover page.
B. **Inter-Accounts**

1. Inter-account payments are made when services are provided to EWDC by another state agency and will be billed to us by use of an inter-account bill. Inter-account billings are created when EWDC has provided services to another agency.

2. Documentation for any inter-account bill or payment must be provided to the DAS, Fiscal Branch in the same manner as an invoice must be provided for vendor payments and must include approval and funding.

   This includes but is not limited to the Parks folio, the Motor Pool authorization, the rental of space for archiving, the lease for state-owned office space, charges for education, telephone service, surplus property, etc.

3. Inter-account payments (ITA documents) reference the selling agency’s billing document (ITI document) in eMARS. Account coding is verified, and entered on the ITA. The ITA is then submitted in eMARS and the approval applied. Documentation is attached to a screen-print of the ITA document and filed.

4. Inter-account billings (ITI documents) are entered into eMARS using the funding the billing agency sent to the Fiscal Services Branch. The ITI is then submitted in eMARS and the approval applied. Documentation is attached to a screen-print of the ITI document, scanned, and e-mailed to the agency requesting an ITA prior to being filed. The Fiscal Service Branch is responsible for following up to insure the ITA has been completed by the purchasing agency.
EWDC is subject to the travel regulations issued by the Finance and Administration Cabinet, Office of the Controller, Kentucky Administrative Regulation 200 KAR 2:006, as it relates to employee travel and FAP 120-17-03, as it relates to high rate travel.

A. **In-State Travel – subject to State Travel Regulations**

   1. Priority of travel vehicle is (1) assigned car, (2) motor pool car, and (3) personally owned vehicle.

   2. Meals provided only with overnight stay; dinner may be paid to employees without overnight stay if state regulations are met, but this will be reported on the employee’s W-2 as required.

   3. Travel out of state and back the same day to a state bordering Kentucky and not requiring air travel, will not require an out-of-state authorization.

   4. Procurement Cards (Pro-cards) may **not** be used for travel expenses.

B. **Out of State Travel – subject to State Travel Regulations**


   2. No State Cost: If the travel cost is federally funded, personal, or provided by some other private source, the estimated travel cost is still required along with a notation of the funding source.

   3. An accounting template must be provided. This template must be the same as the template that will be used on the travel voucher payment.
C. Motor Pool and State Park Authorizations/Reservations – subject to State Travel Regulations

Electronic authorizations may be used. Electronic authorizations will be entered and approved at level one by the appropriate branch staff, with Administrative Services applying level two approval upon receipt of screen print approved by appropriate manager. Field offices will continue to utilize current procedures for obtaining authorization and reservations for motor pool vehicles or state parks.

D. Third Party Reimbursement for Travel

An agency shall not front the costs of travel that will be reimbursed by a third party. Employees should use the travel loan opportunity at the credit union if the sponsoring entity will not advance costs.

E. Travel Voucher Payment Processing

1. Employees must complete the travel voucher form(s) found on the FAC webpage under eMARS Travel Forms.
   (http://finance.ky.gov/services/statewideacct/Pages/travel.aspx)

   The following fields must be completed:
   - Traveler ID (vendor number not SSN)
   - Traveler Name (complete legal name)
   - Department Name
   - Traveler’s Work Station Address
   - Traveler’s Resident Address
   - Accounting Template ID and Other Accounting Fields if Necessary
   - Month and Day (in chronological order)
   - Departure and Return Times
   - Location From and To
   - Private Auto Mileage (must be reported in whole miles)
   - Purpose
2. Vouchers must be approved by the traveler’s supervisor and then forwarded to DAS, Fiscal Services for payment processing. Approved vouchers may be sent to DAS, Fiscal Services either by messenger mail or e-mailed to the WFD Workforce Travel mailbox listed in the Global Address List.

3. Once DAS, Fiscal Services staff receives a travel voucher they will audit it for necessary information and then process the travel voucher payment in eMARS within 10 working days of receipt.

   Fiscal Services staff will make corrections to any monetary discrepancies and process the voucher payment with less or additional money. The traveler will be notified if the discrepancy totals $10.00 or more.

4. Vouchers will be returned to the traveler if any of the required information is missing or if the voucher is not approved.

   If the voucher is sent back to the traveler for corrections, the voucher will be processed in the order it is received after corrections are made.

5. Travel vouchers must be submitted to DAS, Fiscal Services for payment processing on at least a monthly basis.
A. EWDC Pro-card Program Policies

1. The pro-card program is intended to streamline and simplify the purchasing and accounts payable functions, and is designed as an alternative to a variety of processes, but is not intended to avoid or bypass appropriate procurement or payment procedures. The card is a credit card that is issued by the contract-holder with the Commonwealth. Remember that you are using state funds each time you use the card. The cardholder is the person responsible for all charges made to the card issued to them, and intentional misuse or fraudulent abuse may result in disciplinary action up to and including dismissal. The card has no impact on personal credit.

2. Only full-time employees of EWDC are eligible to receive a pro-card. Each user will be required to sign the Cardholder Agreement as part of the application. The card, once received, should be signed on the back and always kept in a secure place. This card, even though issued with your name, is the property of EWDC and is to be used only for business purchases as defined by the Finance and Administration policies.

3. The card may not be used for personal purchases, cash advances, or any travel and entertainment expenses such as airline tickets, hotel accommodations, car rentals, or meals, or any other prohibited transaction. Under no circumstances should a transaction be split into two separate receipts to bypass the single transaction dollar limit.

4. The card has a designated per transaction limit, a limit on the number of transactions per month, and a total per month limit.

5. Purchasing: If the purchase is made by phone or mail, ask the supplier to include the receipt with the goods when the product is shipped to you. The Cardholder name and “Visa” must appear on the packing slip and external shipping label. The supplier will require your card number, expiration date and the “ship to” address.
6. At the time of purchase, the cardholder should emphasize to the vendor that the Commonwealth is a tax-exempt institution. If the vendor requests the Commonwealth of Kentucky State Sales and Use Tax Exemption number, please provide the supplier with the tax number shown on the card.

7. Lost or stolen cards must immediately be reported to the banking institution (currently 1-800-316-6056) and the Pro-Card Administrator. Should other problems be encountered, contact the Pro-Card Administrator.

8. Your card activity is subject to random audits by appropriate personnel, including the Auditor of Public Accounts. These audits are to help ensure adherence to the Program’s policies and procedures.

9. All receipts must be forwarded to the Pro-Card Administrator as outlined below.

Receipts are mandatory, no affidavits, etc., will be accepted per the Finance & Administration Cabinet policies.

The EWDC, Division of Administrative Services, Pro-Card Administrator is responsible for meeting the Office of the Controller Pro-Card monthly payment schedule as determined by the controller. Therefore, the Pro-card Administrator will request receipts to be submitted either as redeemed, weekly, or monthly depending on the volume of cardholders falling under the Pro-Card Administrator.

Failure to provide receipts as requested is considered non-compliance and subjects the cardholder to disciplinary action.
B. EWDC, DAS Procedures

1. Pro-Cards are to be requested through the staff person’s immediate supervisor, or manager with appropriate delegated authority, who must give written approval for the card.

2. An application is forwarded to the employee for completion, and is returned to the EWDC, DAS Pro-Card Administrator for processing.

3. The EWDC, DAS Pro-Card Administrator forwards the approved application to the bank. When the card is received, it is forwarded to the employee after the signed cardholder agreement is returned.

4. Only the cardholder (the person whose name is on the card) may use that Pro-Card.

5. All original invoices should be signed by the cardholder and marked, “Paid by Pro-Card”, with the date, accounting template, and the object code.

Invoices shall be forwarded to EWDC, DAS, Pro-Card Administrator immediately after use of card has occurred, but no later than 5 days after purchase. All receipts shall be sent to the Pro-Card Administrator prior to the 20th of each month. If receipts are not received by Pro-Card Administrator on or before the 20th of each month, cardholder’s card may be turned off by Pro-Card Administrator until all receipts have been received.

6. The cardholder’s supervisor/approver shall apply an electronic signature approval in Pro-Card banking system.

7. The monthly electronic statement should be electronically reviewed/approved by the cardholder and the supervisor in order for the EWDC, DAS Pro-Card Administrator to reconcile all transactions for the monthly report. It is the cardholders and supervisor’s responsibility to review purchases in the banking system on at least monthly basis and to apply the required approvals.
8. Procedures for equipment purchases will remain the same. Approvals must come through the Executive Director via a DPR. After approval, field office staff may order equipment through their Pro-Card or request that the EWDC, DAS, Procurement Branch order the equipment.

9. Upon receipt of invoices showing equipment orders by the field office costing more than $500, EWDC Property Officer will send an inventory tag with instructions on tagging equipment, and needed information for inventory (serial number, model, description, etc.). It is the responsibility of the local manager to ensure that the tag is placed on the equipment and the form completed with the signature of the person who tagged the equipment and sent back to the property officer.
A. General Information

Agencies shall enter inventory records into the fixed asset system for non-expendable property that promotes financial reporting, safeguarding of assets, and adequate insurance. Expendable property should be accounted for using the statewide inventory control system or an appropriate internal method of accounting for the flow of expendable property. To ensure compliance with this requirement, the Finance and Administration cabinet may conduct physical audits of fixed asset records. The property officer of each Cabinet shall affix a property identification tag to all non-expendable property. The property identification tag shall be affixed to the left side of the item when the item is in its normal operating position. The EWDC property manager is located in Division of Administrative Services, Facilities Branch.

1. In compliance with KRS 45A.360, KRS 45.313 and FAP 120-20-01, the EWDC maintains an inventory control system in which non-expendable personal property is identified by (1) agency number, (2) inventory tag number, (3) Make, (4) description, (5) model number, (6) serial number, (7) quantity (8) location in which the property is placed, (9) cost, and (10) the name of the staff person charged with custody of the property.

2. Each piece of property costing $500 or more and a useful life of greater than one year is tagged with a permanent identification number and the inventory updated when payment is made to the vendor.

3. The necessary fixed asset accounting shall be prepared as part of the accounting system work needed to pay the invoice for equipment.
B. Care of Equipment

1. All EWDC property is owned by the agency and made available for use by employees. All equipment should be handled with care. If there is a problem with the operation of an item, visible damage, or the item becomes inoperable, the problem must be reported to the Property Office immediately. Portable equipment (recorders, cameras, etc.) should not be left in a vehicle where damage or theft could occur.

2. Property maintained in a pool of equipment can be “checked out” by contacting the appropriate staff person in charge of that pool. It should be returned as soon as it is no longer needed.

C. Annual Inventory

EWDC shall complete an annual physical inventory of all property in each office. This shall be coordinated by the EWDC Property Officer, conducted in compliance with FAP 120-20-01 and instructions issued by the Controller’s Office. Additional inventories may be taken at any time deemed necessary by agency management.

D. Transfer of Property

1. Equipment purchased by EWDC is assigned to an office or staff person. If that property is transferred between EWDC individuals or offices, the EWDC Property Officer shall be notified in writing of the item tag number, description, new and old locations.

2. The person receiving the equipment being transferred should inspect it and report any problems immediately to the EWDC Property Officer.
E. Lost or Stolen Property

1. If property should be lost or stolen, the EWDC Property Officer shall be notified immediately. All measures are to be taken to locate lost property, and the notice to the EWDC Property Officer shall include the item number if known, the description of the property, the reason for loss, and the employee last responsible for the item. The EWDC Property Officer will investigate and take any and all necessary action.

2. To file an insurance claim, a police report is required and should be provided to the EDWC Property Officer, or designee, as soon as possible. Inventory records will then be properly updated.

3. Replacement of stolen property should follow the purchasing procedures set forth in Policy 1.08.

4. Should stolen property be recovered, the EWDC Property Officer shall be notified immediately and all appropriate actions taken.

F. Surplus

Property which is no longer in operating condition or no longer needed requires notification be provided to the EWDC Property Officer. Approval must be received from the EWDC Property Officer in order to dispose of the property. The EWDC Property Officer will make the necessary inventory adjustments and/or notify Finance and Administration Cabinet, Division of Surplus Property per FAP 220-16-00 disposition instructions.

G. Insurance

The EWDC Property Officer maintains all necessary insurance schedules with all items covered under a policy (or policies) purchased through the Finance and Administration Cabinet, Division of State Risk and Insurance Services. All changes to the schedules are forwarded to the Division of State Risk and Insurance Services as soon as possible after a change is made. For EWDC to collect on the replacement of stolen property, a police report must be filed with the EDWC Property Officer, who will coordinate all necessary actions.
A. General

The Finance and Administration Cabinet (FAC) Secretary has the authority pursuant to KRS 44.045(6) to promulgate any administrative regulation governing the use of state-owned vehicles. The administrative regulation establishes the procedures by which state employees may use a motor pool vehicle and the employee's resulting responsibility for the motor vehicle.

In order to facilitate the administration and operation of the state motor pool, the Guide for Drivers of the Commonwealth’s Vehicles and the Agency Guide for the Commonwealth’s Vehicles shall govern the use and assignment of state motor pool vehicles, the operation and care of those vehicles and the use of fuel credit cards.

1. To maximize the use of the resource of the assigned vehicle, to enhance service to our individual customers, balance the needs of the office or work unit, to maximize efficiency of staff, and cost efficiency is the goal of assigning vehicles.

2. Vehicles will be viewed as an office or work unit resource to be managed by the head of that office or work unit. All licensed drivers who are full-time EWDC employees in an office or work unit shall be included in the group of employees who can, with permission, be allowed to have use of that vehicle at a particular time for an authorized purpose.

3. The Manager shall be responsible for the assignment of the use of the vehicle and the Manager shall develop a written protocol for the assignment and use of the vehicles in the office or work unit that is consistent with the Finance Agency Guides for Commonwealth Vehicle Use provided with the vehicle.

4. An assignment of a vehicle to one particular employee on a long-term basis requires the written approval of the next level supervisor of the employee responsible for the vehicle for reasons consistent with this policy.
B. Minimum Requirements for Assigned Vehicles

1. When an employee, assigned a vehicle either on a longer-term basis or temporarily, is on leave time, the employee shall provide their assigned vehicle to the supervisor of their work unit during the period of leave (Includes comp time, vacation/annual time, sick time, administrative leave or any other). The supervisor shall maintain a second set of keys for any vehicle assigned to that office and arrange for a state charge card for gasoline.

2. The supervisor shall be the person responsible for the vehicle during the employees leave. The supervisor shall make assignments for the authorized use of the vehicle during the period of leave to licensed drivers within the work unit in a way that maximizes the resources of the agency.

3. During any period of time when a position that has a vehicle assigned to it is vacant, the supervisor of the position shall have authority over the assignment of the use of that vehicle as described above.

4. The EWDC Division Director will furnish FAC, Division of Fleet Management with the name of the supervisors of the work units for each employee with an assigned vehicle.

5. All other FAC, Division Fleet Management policies regarding the use of state vehicles will apply.
C. Commuting in an Assigned Vehicle

Regular commuting (travel from home to workstation) in an assigned vehicle is not allowed. An employee may take an assigned vehicle home, with permission from the supervisor responsible for the vehicle, when on an assignment; if it will result in less mileage or otherwise would conserve resources. The supervisor responsible for the vehicle shall maintain a log to show when approval was given for the assigned vehicle to be taken home, and the reason.

D. Unapproved Mileage; Procedure in Exceptional Circumstances

Approval for mileage not covered above shall be approved only in exceptional circumstances consistent with the mission of that office.

E. Other Policies Regarding Vehicle Use

- Employees are reminded that at all times they are to observe the posted speed limits.

- Use the credit card provided for gas only, unless there is an emergency. Routine maintenance includes oil change, check of tires, brakes, cooling system, fluid levels, etc. and all other maintenance is to be done every 5,000 miles. Maintenance should be done through FAC, Division of Fleet Management and processed for payment through a Purchase Request. Oil changes are to be done every 5,000 miles, and employees are asked to not exceed 5,000 miles.

- Employees are reminded that if there is steering, alignment or tire balancing problems, they are not to ignore the problem, but have it inspected and corrected.

- The vehicle is to be used for Department business only. This means no personal use.
Policy: 1.13 (continued - 3)  
Subject: Property & Fixed Assets – Vehicles

Reference(s): KRS 44.045(6), 200 KAR 40:010, 200 KAR 40:020

Revision Date:

- It is against policy to transport non-state employees without prior written approval from FAC, Division of Fleet Management. To obtain approval the "Authorization to Transport Non-State Employee Passengers in a Commonwealth-Owned Vehicle" form must be completed and returned to the Director of Fleet Management prior to travel. This form may be found on the Finance Cabinet’s webpage at http://finance.ky.gov/services/forms/Pages/default.aspx.

- If you have problems with the vehicle and need assistance from FAC, Division of Fleet Management, the number to call for the HELP DESK is 1-800-928-4649 from 7a.m. to 5p.m. Calls after 5p.m. should be made to 502-564-2080.

- From the FAC, Division of Fleet Management, Policies & Procedures Manual Governing the Use of State Vehicles: “Any employee who is assigned or operates a state vehicle shall be knowledgeable of and comply with all laws, policies, rules, and regulations governing the use of such vehicles. Violators will be subject to appropriate administrative disciplinary action in addition to any legal action that may result. Vehicles shall be used solely for performing the official business of the Commonwealth of Kentucky and any other use is prohibited.”
A. **Preamble**

It is the position of the EWDC that decision-making, authority, and responsibility all be conducted at the lowest level possible in the agency. Overall responsibility for the oversight of the EWDC budget, as a whole, is held by the Secretary, the Executive Director the Office of Budget and Administration, and the Director of Administrative Services. However, each division director, or branch manager is responsible for their portion of the agency’s budget within the guidelines of EWDC/OSBD/LRC Policies and federal requirements from initial development to final action.

B. **Biennial Budget Preparation**

1. The Office of Budget and Administration or designee will be responsible for the development of all fiscal information used in the preparation of the Cabinet's budget request.

2. The Executive Director of Budget and Administration will work closely with the Secretary, Commissioner, and all Executive Directors or their designees.

3. Budget information is to be based on past spending patterns and feedback from each Executive Director regarding potential requests for new projects/activities, changes in staffing levels, changes in levels of grant funding, changes in revenue stream, expenditure patterns etc.

4. Budget requests will be developed in accordance with instructions issued by LRC/OSBD/federal agencies etc., and in conjunction with the schedule for EWDC Strategic Planning.

5. Budget requests are developed at the department level. The department budgets are reviewed with corrections by the Office of Administration and Budget.

6. Narratives for all budget requests will be developed in accordance with the instructions issued by LRC/OSBD/etc. by individual Executive Directors and forwarded to the Budget and Administration Executive Director for review and comments. If time permits any revisions will be discussed with the appropriate Executive Director.
C. **Budget – OSBD/LRC/Legislative Action**

1. The Secretary and/or the Budget and Administration Executive Director have the responsibility of communicating the budget situation to all interested parties.

2. Recognizing that, during the negotiations surrounding budget development, information will change very rapidly, the Secretary and/or the Budget and Administration Executive Director will make every effort to provide up-dates on the status of budget negotiations to Executive Directors and staff preparing budget documents. Executive Directors are responsible for monitoring the impact of changes on their budget requests. In response to questions from Executive Directors, as much information as is available will be provided, even if it requires going back to OSBD/LRC/etc.

D. **Loading of Budget**

1. The Budget and Administration Executive Director will make recommended allocations to the Secretary. Once a determination of allocation is made, this will be provided to the appropriate Executive Directors.

2. Budgets as developed by the designated staff will be loaded into KBUD and eMARS as required.