



# Department of Financial Incentives

Records Retention Schedule

Prepared by the State Records Branch  
Public Records Division

Approved by the State Archives and Records Commission



This records retention schedule governs retention and disposal of records created, used and maintained by the Department of Financial Incentives. Government records in Kentucky can only be disposed of with the approval of the State Archives and Records Commission (the Commission). This agency-specific schedule was drafted by Department of Financial Incentives personnel and Public Records Division (PRD) staff, and reviewed and approved by the Commission. This schedule provides the legal authority for Department of Financial Incentives to destroy the records listed, after the appropriate retention periods have passed.

Department of Financial Incentives personnel should use this agency-specific schedule in combination with the *General Schedule for State Agencies (General Schedule)*, also approved by the Commission. The *General Schedule* applies to records that are created, used and maintained by staff at all or most state agencies. Agency-specific retention schedules are used only by specific agencies and apply to records that are created only by a particular state agency, or to records that a state agency is required to retain longer than the approved time period on the *General Schedule*. The *General Schedule* and agency-specific retention schedule should cover all records for the Department of Financial Incentives.

This retention schedule applies to state agency records and information regardless of how it is created or stored. For example, information created and sent using e-mail is as much a public record as materials created or maintained in paper. Kentucky law defines public records, in part, as "documentary materials, *regardless of physical form or characteristics*, which are prepared, owned, used, in the possession of or retained by a public agency" (KRS 171.410[1]). This means that records management standards and principles apply to all forms of recorded information, from creation to final disposition, regardless medium. Records retention scheduling is important in developing, using, and managing computer systems and other electronic devices. Records management practices encourage cost-effective use of electronic media through accurate retention scheduling and legal destruction of records.

**All state government employees are responsible for maintaining records according to the retention schedule, whether those records are stored electronically or in paper. Information must be accessible to the appropriate parties until all legal, fiscal, and administrative retention periods are met, regardless of the records storage medium.**

This retention schedule covers the content of records created by the Department of Financial Incentives, including records created or stored using computers and computer systems. The *General Schedule for Electronic and Related Records* applies to records related to computers or a computer system. Examples of these include system documentation and use records, backup files, or website format and control records.

### **Audits and Legal Action**

Agency records may be subject to fiscal, compliance or procedural audit. If an agency should maintain records longer than the approved retention period, as may be the case with some federal audits, then all affected records should be retained until the audit has been completed and the retention period met. In no case should records that are subject to audit be destroyed until the audit has been completed and retention periods met, or the records have been officially exempt from any audit requirements.

Records may also be involved in legal or investigative actions, such as lawsuits, administrative hearings or open records matters. These records must be retained at least until all legal or investigative matters have concluded, regardless of retention period. This includes all appeals of lawsuits.

### **Vital Records**

Vital records are essential to the continued functioning of an agency during and after an emergency. Vital records are also essential to the protection of the rights and interests of an agency and of the individuals for whose rights and interests it has a responsibility. Vital records are identified in the retention schedule with a (V).

### **Confidential Records**

While all records created, used and maintained by government agency personnel are public records, not all of those records are open to public inspection. Whether a record is open to public inspection is determined by the state's Open Records laws and other relevant state or federal statutes and regulations. Restriction of public inspection of confidential records may apply to the whole record or only to certain information contained in the record.

Kentucky's public records are considered open for public inspection unless there is some specific law or regulation that exempts them. Agency personnel who believe certain records are confidential should submit a citation from Kentucky Revised Statutes, Administrative Regulations, Code of Federal Regulations, or similar authority. **State agency heads have the responsibility to know all the appropriate confidentiality laws, statutes and regulations that apply to the records maintained by their agency and to see that those laws are enforced.** Even though a record series may or may not be marked confidential on a retention schedule, contradictory laws or regulations that are passed after the schedule has been approved must be honored.

### **Copies of Records**

Agency personnel often make copies of records for internal use or reference purposes. Agencies should designate one copy as the official copy and make sure it is retained according to the records retention schedule. Agencies can destroy all other copies when no longer useful.

### **Updating the Retention Schedule**

Per 725 KAR 1:010, the head of each state government agency is required to designate a member of his or her staff to serve as a records officer. The agency records officer represents that agency in its records-related work with the Public Records Division. The agency records officer is responsible for assisting the Public Records Division in drafting a records retention schedule, and in finding any schedule updates to bring before the Commission. The retention schedule should be reviewed on a regular basis to suggest appropriate changes to the Commission.

## **Department of Financial Incentives**

The Department of Financial Incentives coordinates all financial assistance, tax credit, and related programs available to business and industry. Programs that help businesses in this way are designed to further the Commonwealth's goals of achieving long-term economic growth and full employment for its citizens. The Department consists of the Grant Programs Division, Tax Incentives Program Division, Direct Loan Programs Division, Program Servicing Division, and the Bluegrass State Skills Corporation.

The Department is headed by a Commissioner appointed by the Governor. The Department was reorganized by Resolution 95-1, issued on August 3, 1995, by the Kentucky Economic Development Partnership and confirmed by House Bill 537 in the 1996 Session of the General Assembly. That resolution and legislation abolished the Rural Development Division and the Development Finance Division and created divisions for grants programs, direct loan programs, tax incentives programs and program servicing.

RECORDS RETENTION SCHEDULE

Signature Page

Department of Financial Incentives  
Agency

January 1, 1976  
Schedule Date

Unit

June 9, 2011  
Change Date

June 9, 2011  
Date Approved By Commission

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APPROVALS

The undersigned approve of the following Records Retention Schedule or Change:

Agency Head

9/6/11  
Date of Approval

Mary DeCamp  
Agency Records Officer

8-18-11  
Date of Approval

Barbara Tejera  
State Archivist and Records Administrator  
Director, Public Records Division

6/9/11  
Date of Approval

Wayne Oulert  
Chairman, State Archives and Records Commission

6/9/11  
Date of Approval

The undersigned Public Records Division staff have examined the record items and recommend the disposition as shown:

Records Analyst/Regional Administrator

6-9-2011  
Date of Approval

Appraisal Archivist

6/9/11  
Date of Approval

State/Local Records Branch Manager

6/9/11  
Date of Approval

The determination as set forth meets with my approval.

Auditor of Public Accounts

6/9/11  
Date of Approval

## STATE AGENCY RECORDS RETENTION SCHEDULE

Economic Development Cabinet  
Financial Incentives, Department of

Record Group  
Number  
0737

| Series | Records Title and Description   | Function and Use  |
|--------|---|---|
| 01312  | <b>Ky Economic Development Finance Authority Project Files (V)</b>              | This series documents industrial loans made to businesses to purchase land, equipment, and to purchase/construct buildings. Per KRS.005, the Kentucky Economic Development Finance Authority (KEDFA), alleviates unemployment and furthers the utilization of natural and man-made resources by promoting and developing business, industry, manufacturing, tourism, and agricultural enterprises in local communities of the Commonwealth while allowing public monies to be spent to aid the process. KEDFA reports to the secretary of the Economic Development Cabinet (CED), but is not attached to any administrative department. KEDFA consists of the Secretary of the CED, the Chairman of KEDFA, the Secretary of the Tourism Cabinet, the Secretary of the Finance and Administration Cabinet, and eleven (11) at large members appointed by the Governor. Members approve or disapprove all loan requests. Loans are issued on 7, 10, 15, or 20 year repayment terms. Applications for loans are available through area development district offices, local development authorities, local banks, chambers of commerce and the KEDFA office.  |
|        | <b>Access Restrictions</b>  | KRS 61.878 (1)(c) Confidentially Disclosed Information  |
|        | <b>Contents</b>   | Series contains: Application for loan, related correspondence, loan analysis from a CPA firm, financial statement of business, commitment letter outlining requirements of the loan, copies of insurance policies, legal opinion letters, corporate borrowing resolutions, authorization to enter into loan agreement, property descriptions, equipment list, document drafting information, copy of mortgage and/or deed, copy of promissory note, loan agreement, security agreement, financing statement (UCC-1, which establishes the recording of legal instrument by County Clerk), cross-default agreement, if applicable (names first and second mortgage holders), guarantee agreement, assignment of rents and leases, subordination agreement, inter-creditor agreement.   |
|        | <b>Retention and Disposition</b>  | Upon completion of project, repayment of loan and audit, transfer to the State Archives Center for Permanent retention.   |
| 04526  | <b>Enterprise Zone Program File Change Date: 6/8/1995 (V)</b>                   | This series documents the approval and participation of businesses in the Enterprise Zone (EZ) program. The program was established to revitalize economically depressed areas of the state with some areas being inner-city, some being rural. Goals and intentions of the program include improving the quality of life for individuals residing within the EZ by providing job training, employment opportunities, and neighborhood improvement programs; encouraging economic activity by assisting and maintaining existing business; stimulating the influx of new business; and, eliminating blighted and deteriorated areas that feature chronic abandonment or demolition of residential or commercial structures or property. The program provides for tax exemptions for certified businesses approved by the Enterprise Zone Authority pursuant to KRS 154.45-001 to 154.45-090. The exemptions are only for those businesses within the set enterprise zone or zone boundary. There are a total of ten zones. The zones are approved for a twenty-year period. If a business moves from the zone, goes out of business, is acquired by another that doesn't participate in the program, or is out of compliance for one reason or another, it is de-certified, at least until the appropriate steps are taken in order to continue in the program. The application is completed by act of the local legislative body, or possibly, jointly by two or more local government agencies. |
|        | <b>Access Restrictions</b>  | KRS 61.878 (1)(c) Confidentially Disclosed Information.   |
|        | <b>Contents</b>   | Application; Employee Data Sheet (with SS#, names, addresses, unemployment dates--90 days prior to hire, part/full time employee, if he/she is a resident of the Enterprise Zone); Certification; Correspondence; Monitoring of contract  |
|        | <b>Retention and Disposition</b>  | Transfer to the State Archives Center one (1) year after de-certification for Permanent retention.  |
| 05769  | <b>Bluegrass State Skills Projects Master Folder Change Date: 3/13/2008 (V)</b> | This series documents the application process for either a Skills Training Investment Credit or a Grant-in-Aid and the disbursement of funds or tax credits received by approved companies. The Bluegrass State Skills Corporation's (BSSC) (KRS154.12-205) basic purpose is to improve and promote employment opportunities for the residents of the Commonwealth. These programs provide reimbursement dollars or tax credits to business and industry for specific training activities. For consideration a company must complete and submit an application and receive approval from the BSSC Board of Directors.   |
|        | <b>Access Restrictions</b>  | KRS 61.878 (1)(c) Confidentially Disclosed Information  |
|        | <b>Contents</b>   | This series contains: Application, signed agreement, disclosure statements, letter of approval, reimbursement request documentation, reimbursement documentation, employee lists, closeout information, payment documentation and related correspondence.   |
|        | <b>Retention and Disposition</b>  | Retain for two (2) years. Transfer to State Archives Center for Permanent retention.  |

# STATE AGENCY RECORDS RETENTION SCHEDULE

Economic Development Cabinet  
Financial Incentives, Department of

Record Group  
Number  
0737

| Series | Records Title and Description   | Function and Use  |
|--------|---|---|
| 06124  | <b>Kentucky Procurement Assistance Program (KPAP) Files</b> Change Date: 6/9/2011 Series added. | This series documents the Kentucky Procurement Assistance Program (KPAP) (KRS 154.12-223(2)(a)(2)). KPAP is a free business assistance program of the Kentucky Cabinet for Economic Development. The primary purpose of KPAP is to help Kentucky firms market their goods and services to federal, state and local government agencies. KPAP is funded by the Kentucky Cabinet for Economic Development and the U.S. Department of Defense. KPAP offers the following services: Marketing, Consulting and training. |
|        | <b>Access Restrictions</b>  | KRS 61.878 (1)(a) Personal information.   |
|        | <b>Contents</b>   | Series may contain: Program goals, counseling provided, demographics of clients, contracts awarded, client contact information, types of products and services offered by clients, payroll vouchers, training documentation, reimbursement documentation, quarterly reports, annual summary and related documents and correspondence.   |
|        | <b>Retention and Disposition</b>  | Retain annual summaries permanently. Transfer to the State Archives Center when administrative value has ended. Retain all other documentation in agency until three (3) years after final report is submitted, then destroy.   |