Department of Finance –
Division of Control and Accounts
(State Comptroller’s Office)

Functional Analysis
&
Records Disposition Authority

Presented to the
State Records Commission
April 20, 2022
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Functional and Organizational Analysis of the Department of Finance – State Comptroller’s Office

Sources of Information

- Representatives of the Department of Finance – State Comptroller’s Office
- Governor Bob Riley’s Executive Order No. 46 (2009)
- Code of Alabama 1975 § 6-2-33, § 40-12-19, § 40-20-8, and § 41-4-3 to § 41-4-66
- Coronavirus Aid, Relief, and Economic Security (CARES) Act; Pub. L. 116-136
- Department of Finance – State Comptroller’s Office Audit Reports
- Archives Division, State Agency Files (1985-ongoing)
- Department of Finance – State Comptroller’s Office website (www.comptroller.alabama.gov)

Historical Context

During Alabama’s first 120 years of statehood, no state agency centrally administered its finances. Instead, state agencies, boards, commissions, and authorities administered their budgets independently of one another. Agencies could choose how and when they reported on their
financial management and only needed to fully account for their expenditures if an oversight body deemed it necessary. This decentralized approach led the state government to experience continuous financial shortfalls. The state did not have sufficient cash to pay its year-end obligations for twenty years in a row, despite the Legislature’s efforts to boost state revenue by raising taxes and issuing bonds. Altogether, the State of Alabama incurred more than $13 million of debt by the onset of the Great Depression.¹

The dire financial situation led Governor Benjamin M. Miller, in 1931, to commission the Brookings Institution to undertake a comprehensive study of Alabama government and offer fiscal recommendations.² One of the report’s top recommendations was for Alabama to employ a comptroller, a “chief financial officer of the administrative branch of the government” appointed by and serving at the pleasure of the Governor.³ The comptroller’s duties would be to control the deposit of funds into the State Treasury and the issue of money from there, keep the state’s central accounts, and create annual and other periodic financial reports.⁴

In response to these recommendations, the Legislature enacted the Budget and Financial Control Act which, among other provisions, established an Office of State Comptroller directly attached to the Governor’s Office.⁵ This organizational structure would be short-lived; in 1939, the Legislature abolished the independent Office of State Comptroller and transferred its former responsibilities to the newly-created Department of Finance. The Legislature empowered the Department of Finance to manage and control all matters pertaining to fiscal affairs, except those duties assigned to other agencies.⁶

The Department of Finance originally had five divisions, including the Division of Control and Accounts, which the State Comptroller oversees. Among other duties, the Legislature empowered the State Comptroller “to keep all books, records and accounts relating to the finances of the state government,” and “to control and make records of all payments into and out of the State Treasury and each special fund and account therein.”⁷ The title of the Division’s leader results in the Division of Control and Accounts often being called the State Comptroller’s Office.

² The Brookings Institution is a nonprofit, nonpartisan public policy organization headquartered in Washington, D.C. The Institution conducted similar studies for several other state governments during the Great Depression including, but not limited to, Mississippi, New Hampshire, and North Carolina.
³ The report notes that, “In Alabama, and the same is true in most of the states, great confusion has resulted through failure to distinguish clearly between the functions of a comptroller and an auditor.” Indeed, the State Auditor was called the Comptroller of Public Accounts before 1868. As the report explains, auditors and comptrollers perform different administrative duties, with auditors responsible for “reviewing all financial transactions… [to ensure] that all requirements by the legislature in respect to the collection, custody, and disbursement of public funds have been duly complied with.”
⁵ Alabama Act 1932-37.
⁶ Alabama Act 1939-112.
The Office’s name and core functions have remained relatively unchanged in the intervening decades, although the Office has embraced technological advances to carry out its duties. In 1982, the State of Alabama purchased the computerized Financial Resource Management System (FRMS). The overarching FRMS program contained various subprograms intended to centralize accounting processes within state government.

Several state agencies worked together throughout the 1980s to bring the subprograms online. For example, the State Comptroller’s Office collaborated with the Department of Finance Executive Budget Office and the Office of State Treasurer to adopt the Central Accounting System (CAS) subprogram for statewide financial management, and the State Comptroller’s Office worked with the State Personnel Department to implement the Government Human Resources System (GHRS) subprogram for state payroll and personnel management. These software subprograms automatically communicated within FRMS to ensure that the state maintained an accurate accounting of its finances. Around the same time, the Legislature granted permission to the State Comptroller’s Office to carry out electronic fund transfers.8

The State of Alabama continued to use FRMS until 2015, when the government adopted the State of Alabama Accounting and Resource System (STAARS). Like FRMS, STAARS includes various subprograms, including STAARS Financial for centralized financial management. The state continued to use the GHRS module from FRMS until 2022, when it is anticipated that GHRS will be entirely replaced by a new system called Human Resources Management (HRM).

The State Comptroller’s Office undertakes new responsibilities as provided by statute or as instructed by the Finance Director. For instance, in 2009, Governor Bob Riley’s Executive Order 46 directed the State Comptroller’s Office “to establish a database of state expenditures, including contracts and grants, that are easily accessed by the public[.]” The Legislature subsequently enacted Act 2009-750, which further details exactly what information the database must contain. The Act specifies that, among other requirements, the database must include “the amount, date, payor, and payee of [state expenditures],” including expenditures via contracts and grants.9 The Comptroller’s Office launched the state expenditure tracking portal Open Alabama (www.open.alabama.gov) on October 1, 2010, and continues to provide detailed information on state expenditures into the present day. Similarly, Alabama Act 2012-407 required the Office “to post and maintain a statewide database on the State’s website of each request for a proposal for a public contract” by state agencies.10 Through these and other measures, the State Comptroller’s Office continues to assist the Department of Finance in fulfilling its mission to “manage, supervise and control all matters pertaining to the fiscal affairs” of the State of Alabama.11

**Division Organization**

The Division of Control and Accounts is part of the Alabama Department of Finance.12 The Division is overseen by the State Comptroller, whom the Director of Finance appoints with the

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8 Alabama Act 1984-789.
10 Code of Alabama 1975 § 41-4-66.
11 Code of Alabama 1975 § 41-4-3.
12 Divisions of the Department of Finance are governed by separate Records Disposition Authorities (RDAs).
approval of the Governor.\textsuperscript{13} The Division of Control and Accounts is often called the State Comptroller’s Office due to the title of its leader.

As of 2022, the State Comptroller’s Office is organized into the Executive, Accounts Payable, Agency Distribution, Card Services, Financial Reporting, Financial Systems Support, Fiscal Management, Payroll, Receipts, and Shared Services sections. The Office employs approximately fifty staff members as of this writing.

Sections can be established or disbanded as required; for instance, during the COVID-19 pandemic, the Comptroller established a Coronavirus Relief Funds Office within the State Comptroller’s Office. The Coronavirus Relief Funds Office was responsible for distributing Alabama’s appropriations from the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.\textsuperscript{14}

### Division Function and Subfunctions

The mandated function of the Department of Finance – State Comptroller’s Office is to control and make records of all payments into and out of the State Treasury and each special fund and account therein.\textsuperscript{15} As such, it is one of the agencies responsible for performing the Administrative Support Operations function of Alabama government as described in the “Functional Analysis of Alabama Government.”

In the performance of its mandated function, the Division may engage in the following subfunctions:

- **Controlling, Auditing, and Recording Financial Transactions.** The Code of Alabama 1975 § 41-4-50 empowers the State Comptroller’s Office “to control and make records of all payments into and out of the State Treasury and each special fund and account therein,” and “to audit [verify the accuracy of]… all receipts and receivables.” The internal controls within the State’s accounting system have been designed to comply with Alabama statutes requiring the audit of receipts and receivables; the determination of legality and correctness of each claim and expenditure; and that funds are appropriated, allotted, and on deposit within the State Treasury before any payment is rendered.\textsuperscript{16} The State Comptroller’s Office controls and records all centralized accounting procedures, including everything from processing cash receipts to distributing revenues and responding to court-ordered garnishments.

Outside these routine responsibilities pertaining to the state’s accounting system, the State Comptroller’s Office may be responsible for controlling and recording the movement of special funds into and out of the State Treasury. The State of Alabama may

\textsuperscript{13} Code of Alabama 1975 § 41-4-51.
\textsuperscript{14} Pub L. 116-136, Alabama Act 2020-199.
\textsuperscript{15} Code of Alabama 1975 § 41-4-50.
create special funds within the State Treasury in response to limited federal funding distributions and other unusual situations. For instance, the State Comptroller’s Office administered the economic damages which BP paid Alabama after the 2010 Deepwater Horizon oil spill. Another example occurred in 2020, when the State Comptroller established a Coronavirus Relief Funds Office to administer Alabama’s share of federal funds from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).17

- **Reporting on State Funds.** The Code of Alabama 1975 § 41-4-3 states that the Department of Finance must “make the annual financial report of the state… to present an accurate description of the financial condition of the state during the preceding fiscal year.” The State Comptroller’s Office fulfills this obligation by compiling and publishing the Annual Comprehensive Financial Report (ACFR), prepared pursuant to the professional standards outlined by the Governmental Accounting Standards Board (GASB).18 The State Comptroller’s Office makes other reports on state funds beyond the ACFR, including, but not limited to, the annual Schedule of Expenditures of Federal Awards (SEFA) and monthly, daily, or other periodic reports completed upon request.19

- **Supporting State Financial Management Systems.** The State of Alabama Accounting and Resource System (STAARS) is the linchpin in the state’s financial operations. STAARS can be conceptualized as a central hub through which all accounting for the State of Alabama flows. The STAARS software suite interfaces with other parallel systems that communicate each night to log updates and reconcile changes. The State Comptroller’s Office acts as a help desk for some functions within STAARS by responding to requests for assistance and drafting procedural guides.20

The State Comptroller’s Office also supports the state’s financial management systems by providing direct assistance to manual agencies. Staff with the State Comptroller’s Office perform financial duties that dedicated accounting professionals perform in automated agencies.

**Explanatory Note: The State Comptroller’s Office conceptualizes state agencies as being either automated or manual agencies. Automated agency employees input their transactions into STAARS. Manual agencies submit their transactions on paper to the Comptroller’s Office where the transactions are keyed by Comptroller staff.21**

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18 The Governmental Accounting Standards Board (GASB) publishes the generally accepted accounting principles (GAAP) used by all fifty states and local governments. The GASB renamed the former Comprehensive Annual Financial Report (CAFR) to the Annual Comprehensive Financial Report (ACFR) in October 2021.
19 For example, the Department of Revenue may ask the State Comptroller’s Office to generate a report documenting county revenue within the last month.
20 The State Comptroller’s Office handles routine technical issues occurring in STAARS Financial, such as adding new users and resetting passwords. More serious technical difficulties are escalated to the Department of Finance’s State Business Systems Division (SBS) for response.
21 Some small state agencies do not use the State Treasury and instead conduct their business using a checkbook issued by a bank. These so-called “checkbook agencies” submit financial statements to the State Comptroller’s Office once a year for inclusion in the Annual Comprehensive Financial Report (ACFR). For this reason, the State Comptroller’s Office considers “checkbook agencies” to be neither automatic nor manual agencies.
Furthermore, the State Comptroller’s Office administers credit card programs that state employees can use to pay for goods, nonprofessional services, and travel expenses.

- **Administering Internal Operations.** A significant portion of the Division’s work includes general administrative, financial, and personnel activities performed to support the programmatic areas of the Division including:

  **Managing the Division:** Activities include internal office management activities common to most government agencies such as corresponded and communicating, scheduling, meeting, documenting policy and procedures, reporting, litigating, legislating (drafting, tracking), publicizing and providing information, managing records, and managing information systems and technology.

  **Managing Finances:** Activities include budgeting (preparing and reviewing budget package, submitting the budget package to the Department of Finance, documenting amendments and performance of the budget); purchasing (requisitioning and purchasing supplies and equipment, receipting and invoicing for goods, and authorizing payment for products received); accounting for the expenditure, encumbrance, disbursement, and reconciliation of funds within the Division’s budget through a uniform system of accounting and reporting; authorizing travel; contracting with companies or individuals; bidding for products and services; and assisting in the audit process.

  **Managing Human Resources:** Activities include recruiting and hiring eligible individuals to fill positions within the Division; providing compensation to employees; providing benefits to employees such as leave, health insurance, unemployment compensation, worker’s compensation, injury compensation, retirement, and death benefits; supervising employees by evaluating performance, granting leave, and monitoring the accumulation of leave; training and providing continuing education for employees; and investigating and disciplining.

  **Managing Properties, Facilities, and Resources:** Activities include inventoring and accounting for non-consumable property and reporting property information to the appropriate authority; leasing and/or renting offices or facilities; providing security for property managed by the Division; insuring property; and assigning, inspecting and maintaining Division property.
Records Appraisal of the Department of Finance – State Comptroller’s Office

The following is a discussion of the two major categories of records created and/or maintained by the Department of Finance – State Comptroller’s Office: Temporary Records and Permanent Records.

Temporary Records

Temporary records should be held for what is considered their active life and be disposed of once all fiscal, legal, and administrative requirements have been met. Some of the temporary records created by the Department of Finance – State Comptroller’s Office are discussed below:

- **Journal Vouchers (Including Cost Accounting and Income Allocation).** Within the State of Alabama Accounting and Resource System (STAARS), journal vouchers are used to record accounting activities that are nonstandard and cannot be recorded using normal STAARS workflows.\(^2^2\) Several types of journal vouchers exist. For instance, Cost Accounting Journal Vouchers (JVCs) allow state accounting professionals to correct transactions within the software system, while Income Allocation Journal Vouchers let accounting professionals redistribute expenses across accounts using a mathematical formula. Journal vouchers should be retained for seven years based on best practices in the accounting profession.

- **Journal Voucher Advances (JVAs).** Journal Voucher Advances (JVAs) operate as interagency fund transfers. Agencies can submit JVAs for a variety of reasons; for instance, during the COVID-19 pandemic, agencies submitted JVAs after being approved for reimbursement as provided in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).\(^2^3\) Once the State Comptroller’s Office processed the JVA, funds would be transferred from the CARES Act fund into that agency’s departmental fund within the State Treasury. These records should be retained for seven years based on best practices in the accounting profession.

- **Warrant Cancellations and Related Files.** Errors can happen during the accounting process; for instance, an agency may mistakenly request a warrant in the wrong amount, or an agency may submit payment at a wrong time.\(^2^4\) The State Comptroller’s Office rectifies these mistakes with a warrant cancellation in the State of Alabama Accounting and Resource System (STAARS). Records in this series should be retained for seven years based on best practices in the accounting profession.

\(^{2^2}\) A journal is a detailed historical record of processed data that is stored in the order it is processed. A journal voucher is a document which stores the critical information about a single accounting transaction.


\(^{2^4}\) A warrant is a written order that authorizes and orders payment from one entity to another.
• **Cash Management and Fund Transfer Records.** Each year, the Alabama Legislature authorizes all state government funding by passing two pieces of legislation: the Education Trust Fund (ETF) Budget Act and the General Fund (GF) Budget Act. In effect, the Legislature authorizes the distribution of ETF and GF money to the various state agencies. The State Comptroller’s Office is responsible for processing these distributions.

State agencies may submit transfer requests to the State Comptroller’s Office using a template in STAARS. The State Comptroller’s Office’s role is to transfer funds from the ETF and GF into these agency-specific accounts. Warrants can then be drawn from agencies’ respective accounts within the State Treasury. Transfers must be complete before warrants can be issued, so the two processes do not interact directly.

Other fund transfers also fall within the scope of this series. For instance, the Alabama Trust Fund is an irrevocable trust fund established by amendments to the Alabama Constitution which enables the state to invest money received from oil and gas leases. Although the State Treasurer plays the largest role in administering this fund, the State Comptroller’s Office processes annual disbursements from the fund to Alabama cities and counties according to a mathematical formula. Similarly, the State Comptroller’s Office is responsible for transferring payments from the Education Trust Fund to colleges and universities using guidelines from the Department of Finance – Executive Budget Office. Cash management and fund transfer records should be retained for seven years based on best practices in the accounting profession.

• **Warrant Verification Records.** The State Comptroller’s Office issues warrants for a wide variety of payments instructing the State Treasurer to make payment from the Treasury. At times, the Office may be asked to verify details of a warrant. Verification requests typically come from check-cashing facilities, banks, and pawn shops. The State Comptroller’s Office may be asked to verify details such as the name on the warrant, the date on the warrant, and whether the warrant has been cashed/paid. The Office cannot verify whether funds have been deposited within a payee’s bank account or whether there are any holds or stops on the funds, as these circumstances would arise at the financial institution rather than at Comptroller. Verification is typically needed when the payee has no bank account. Records documenting warrant verification should be retained for seven years based on best practices in the accounting profession.

• **Manual Disbursement Records (Including Hot Warrant Records).** If a state agency has an expense that needs to be paid immediately instead of going through the normal nightly cycle batch processing, then the agency can obtain permission to “run the warrant hot.” Once the expense has been approved, staff with the State Comptroller’s Office complete a Manual Disbursement to print the warrant the same day. If a vendor does not receive an approved warrant in a timely manner or it was lost, a duplicate warrant can be

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25 Both budgets are divided into two parts, containing discretionary funds and earmarked funds. The Legislature controls how discretionary funds are spent, while earmarked funds must be spent in accordance with legal requirements.

26 A warrant is a written order that authorizes and orders payment from one entity to another.
requested and reprinted through a Manual Disbursement process within one year of the original issue date. Manual disbursement records should be retained for seven years based on best practices in the accounting profession.

- **Accounts Payable Records (Including Special Documents).** Payment information workflows within STAARS from other state agencies to the State Comptroller’s Office, the latter of whom audits the information for accuracy. Special documents are documents that may be moved ahead in the verification queue because they are urgent or time-sensitive. These special documents go through all the same steps as other payment documents, but the processing time is expedited. The scope of this series does not include procurement documents such as purchase orders and requisitions, but does include payment requests, such as General Accounting Expenditure (GAX) documents. Accounts payable records should be retained for seven years based on best practices in the accounting profession.

- **Cash Receipts and Related Files (Including County Revenues and State Agency Cash Receipts).** The State Comptroller’s Office receives, audits (verifies the accuracy), and processes cash receipts, which represent the inward flow of money to the State Treasury. Cash receipts can come in the form of revenues submitted by county offices, including probate offices, tax assessors’ offices, tax collectors’ offices, and revenue commissions. County revenues can be submitted either by mailing a paper check and report to the Comptroller or by submitting documentation online. When the State Comptroller’s Office receives these submissions, they first verify that the check contains accurate information and that the check and report match one another. Staff then deposit the funds into a bank account using a mobile banking station. Once the funds have been deposited into the bank, Cash Receipts Section staff create a deposit document called a cash receipt in STAARS and enter the values from the county’s report into the system. This process ensures that the revenue is reported and submitted to the proper fund(s). The STAARS entry may include scanned images of the check and/or the report. If the check and report are not scanned and attached to STAARS, then the check and report will instead be boxed and sent to a records storage facility.

The Office also approves and processes cash receipt documents submitted by state agencies. Cash receipts workflow within STAARS from other state agencies to the State Comptroller’s Office, which audits the information for accuracy. Automated agencies enter the information directly into STAARS, while the State Comptroller’s Office Shared Services Section enters the information of manual agencies; however, manual agencies do make their own deposits. The inward flow of funds may come from sources like licensing fees and fines and from either local governments or state agencies. These records should be retained for seven years based on best practices in the accounting profession.

- **Reimbursement Records.** The State Comptroller’s Office processes various types of reimbursements. For instance, Alabama county commissions pay the county boards of registrars’ salaries upfront and subsequently submit reimbursement requests to the State

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27 The Department of Finance uses “workflow” as a verb.
Comptroller. During the COVID-19 pandemic, state agencies made expenditures and then requested reimbursement as provided in the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Office processes these requests and transfers funds to the requestors’ accounts. These accounts may be within the Treasury or outside the Treasury, as in the case of vendors. These records should be retained for seven years, or one year after compliance or financial audit, whichever is longer. The seven-year retention is based on best practices in the accounting profession, while the retention for one year after compliance or financial audit acknowledges the fact that reimbursement documentation may be reviewed by the Examiners of Public Accounts during county audits.

- **Garnishment Records.** When a court orders that the wages of an individual on the State of Alabama’s payroll must be garnished, the court sends a copy of the order to the State Comptroller’s Office. Court orders may pertain to child support payments, bankruptcies, levies, or other garnishments. After confirming that the individual is a state employee, the State Comptroller’s Office begins garnishing wages in the manner specified by the court order. The Office sends the garnishments to the court which, in turn, distributes the funds to the plaintiff from the court case. Records pertaining to garnishments should be retained for seven years, or five years after the court order concludes, whichever is longer, based on best practices in the accounting profession.

- **Teachers’ Preretirement Death Benefit Payouts.** The State Comptroller’s Office processes preretirement death benefit payouts for the Teachers Retirement System (TRS). If a member of TRS passes away while employed and before their intended retirement, the member’s beneficiary receives financial compensation for the member’s unpaid sick leave. As of 2022, in these cases, the beneficiary submits a paper claim form to the State Comptroller’s Office, including a copy of the member’s death certificate. The forms are scanned and uploaded into STAARS, and the paper copies are maintained in-office as backups. These records should be retained for seven years based on best practices in the accounting profession.

- **Year-End Closeout Files.** A closeout is a procedure used to reconcile the financial information for a specific timeframe. As its name suggests, a year-end closeout is a reconciliation performed at the end of a fiscal year. Records in this series relate to the year-end closeout procedures that the State Comptroller’s Officer performs before and during the thirteenth accounting period. The fiscal year includes twelve accounting periods corresponding to the twelve months of the year, but the thirteenth accounting period is a special timeframe used for entering year-end adjustments and completing reconciliations. The thirteenth accounting period of the previous fiscal year occurs alongside the first accounting period(s) of the new fiscal year. Since Alabama’s fiscal year covers the timeframe from October 1 to September 30, the thirteenth accounting period occurs during each October and November. Records in this series should be retained for seven years based on best practices in the accounting profession.

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- **Encumbrances and Related Files.** Encumbrances are restrictions placed on the use of funds. Once an encumbrance has been enacted, the reserved funds are unavailable to pay for liabilities other than those debts for which the funds are intended. Encumbrances prevent agencies from accidentally overspending. During the thirteenth accounting period and the year-end closeout, the State Comptroller’s Office can settle debts incurred during the most recent fiscal year, in addition to previous years. The office settles these debts by entering encumbrances into the state’s accounting ledgers. Records in this series should be retained for seven years based on best practices in the accounting profession.

- **Records of County Official Surety Bonds.** Public officials in Alabama must enter into surety bonds to ensure that they fulfill the duties of their office. For county officials, the bond amount is based on the amount of revenue the county generates.

  **Explanatory Note:** A surety bond is a written agreement between three parties to ensure compliance, payment, or performance of an act. The principal is the party that purchases the bond and undertakes obligation to perform an act as promised. The obligee is the party that requires the surety bond. The surety is the party that serves the common good by guaranteeing that the obligation will be performed.\(^{29}\)

  The State Comptroller’s Office is responsible for reviewing, approving, and filing surety bonds for certain county officials. As of April 2022, they perform this role for county tax assessors, county tax collectors, and county probate judges; in the future, the Office may also perform this function for county revenue commissioners. Newly elected county officials (the principal) will fill out a bond application and submit the form to the State Comptroller’s Office (the obligee). The bond is then backed by an insurance company (the surety). If a county’s revenue increases or decreases during the official’s term of office, the bond amount could be increased or decreased by adding a bond rider.

  **Explanatory Note:** A bond rider is a form attached to a surety bond that alters its provisions.\(^{30}\)

  The State Comptroller’s Office is also involved when public officials violate the terms of their bonds of office and must forfeit the bonds as a result. District court clerks are responsible for collecting the bond amount when it is forfeited or revoked. The full bond amount is forwarded to the State Comptroller’s Office. The state retains fifty percent of the bond amount, and the other fifty percent is remitted to the county commission from whence the bond originated. Records pertaining to the issuance and forfeiture of county official surety bonds should be retained for seven years based on best practices in the accounting profession.

- **County Tax Official Final Settlements and Related Files.** Each year in Alabama, the county tax assessor charges the county tax collector a bill for revenues owed. The tax

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collector submits monthly installments towards this net amount throughout the year. These monthly installments are sent to the State Comptroller’s Office for processing.

Tax collectors receive both property and motor vehicle ad valorem taxes. Property ad valorem is not assessed in the same manner as motor vehicle ad valorem. County tax assessors appraise properties in their county each August. The monthly installments which the tax collector will owe for the next year are calculated from the tax assessor’s findings and the millage rate for the ad valorem taxes. This results in a consistent, averaged monthly property tax obligation for tax collectors. On the other hand, motor vehicles are assessed in real time as they are registered annually with the county, resulting in a variable monthly tax obligation. Thus, a monthly assessment is made based on the specific motor vehicles registered during that month.

**Explanatory Note: An ad valorem tax is a tax whose amount is based on the assessed value of a transaction or property. Property tax is one variety of ad valorem tax. The tax is calculated using the millage rate, which is the amount of tax payable per dollar of the assessed value of a property.**

The monthly installments which the tax collector will owe for the next year can be subject to change. For instance, properties can go into delinquency, insolvency, or bankruptcy. There are also special cases, like homestead exemptions for elderly people, which reduce the amount the tax collector receives. In these cases, the taxpayer will not pay the expected amount to the tax collector, so the tax collector will receive a credit towards the amount owed to the state.

Final settlements take place once per year and represent an opportunity for the county tax collector and the State Comptroller’s Office to balance the amount of money that the tax assessor billed the tax collector, the amount the tax collector received, and the amount of credits the tax collector claimed. If the tax collector overpaid the State Comptroller’s Office, the state will reimburse the county. If the tax collector underpaid, then the county will be responsible for paying the difference. These records should be retained for seven years based on best practices in the accounting profession.

- **Petitions for Refunds and Related Files.** The State Comptroller’s Office processes petitions for refunds. These petitions occur only rarely, usually at the recommendation of the Examiners of Public Accounts. For instance, if a county has erroneously overpaid the state, the Examiners may detect the overpayment during an audit and recommend a petition for refund. Records pertaining to these petitions for refund should be retained for seven years based on best practices in the accounting profession.

- **Privilege License and Decal Distribution Records.** The Code of Alabama 1975 § 40-12-19 empowers the Department of Finance to “prepare and have printed suitable forms” for many varieties of county-specific licensure including, but not limited to, business licenses, privilege licenses, and vending machine decals. The Department of Finance is

also responsible for furnishing the blank license forms to county probate judges. To that end, the State Comptroller’s Office completes the state bidding process for these forms and arranges for their distribution to the counties. These records should be retained for seven years based on best practices in the accounting profession.

- **Production Privilege Disbursement Records.** The Code of Alabama 1975 § 40-20-8 *et seq.* empowers the State Comptroller’s Office to allocate and disburse taxes from oil, gas, and natural gas extraction. These taxes are called “production privilege” and/or the “privilege tax on production.” The Department of Revenue collects the production privilege tax, and then the State Comptroller’s Office applies a mathematical formula to determine the proper disbursements. Counties that have oil, gas, and natural gas extraction occurring within their jurisdiction are eligible for a share of the revenue based on the monthly rate of production and the county’s population. Municipal governments located within affected counties also receive a portion of the proceeds. Additionally, a fixed amount ($9.5 million as of April 2022) of the revenue is disbursed to the Alabama State Docks. Records pertaining to the production privilege disbursements should be retained for seven years based on best practices in the accounting profession.

- **Tag Distribution Records.** County probate judges and license commissioners send money to the State Comptroller’s Office for the sale of Distinctive License Plates. These plates have unique, nonstandard designs, and the proceeds from selling the plates benefit nonprofit organizations, such as the U.S. Space and Rocket Center Foundation and the Alabama Forests Forever Foundation. The plates are made available through the Alabama Department of Revenue Motor Vehicle Division. The State Comptroller’s Office holds the money from these sales in escrow, and then, according to mathematical formulas determined by statute, they return the correct amounts to the organizations affiliated with the plates. Some of the funds remain with the state, also in accordance with statute. Records pertaining to tag distributions should be retained for seven years based on best practices in the accounting profession.

- **Professional Service Contract Files.** The State Comptroller’s Office maintains a database of Alabama’s professional service contracts. Professional services are subject to the state purchasing process, in which the state publishes a request for proposal (RFP) and interested vendors respond within STAARS. Agencies seeking professional services are responsible for soliciting bids and contracting with vendors independently from the State Comptroller’s Office. The office’s role is to audit (check) the contracts, ensure that the financial information in the contracts is accurate, and maintain the finalized contracts in accordance with legal and professional retention requirements. These records should be retained for ten years after the award of the contract.34

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32 Escrow refers to the use of a third party to hold assets or funds before they are transferred from one party to another.

33 Professional service contracts govern the provision of highly specialized functions. Professional service providers often have professional qualifications (licensure, certification, or registration) and carry professional insurance. Professional service contracts differ from personal service contracts, which govern the provision of unique, nontechnical functions. Individuals employed via personal service contracts are classified as independent contractors.

Agency Signature Files. The State Comptroller’s Office maintains agency signature files, which list the personnel a state agency director has authorized to approve financial documents in STAARS. The Examiners of Public Accounts request these lists as part of the auditing process. By checking expenditures against the agency signature files, the Examiners can confirm that authorized parties have approved the financial documents. These records should be retained for seven years, or one year after compliance or financial audit, whichever is longer. The seven-year retention is based on best practices in the accounting profession.

Statewide Vendor Database. The State Comptroller’s Office maintains a database of all vendors authorized to do business with state government agencies. The database contains federal tax forms for these vendors, information on vendors’ backup withholdings, tax levies, and banking information if the vendor opts to receive direct deposit instead of a warrant. Within the Department of Finance, the Division of Purchasing administers the bidding, contracting, and procurement processes, while the State Comptroller’s Office issues payment to vendors for goods and services provided. To ensure the availability of vendor information for as long as the vendor does business with the State of Alabama, the vendor information should be retained for seven years after the end of the fiscal year in which the vendor becomes inactive, and other data entry fields until superseded. The seven-year retention is based on best practices in the accounting profession.

Records Documenting Issuance of Federal Tax Forms. The State Comptroller’s Office issues various federal tax forms. For instance, the Office issues Form W-2 to state employees each year and issues Forms 1099-MISC, 1099-NEC, and 1099-G to vendors dealing with the State of Alabama each year. Vendors must meet certain eligibility criteria to qualify for a Form 1099 issuance. For instance, payments must surpass a certain monetary threshold, hit a reportable general ledger code, and the vendor must be a reportable vendor according to federal classification guidance. The State Comptroller’s Office may also issue other federal tax forms yearly, such as Form 1099-R. Forms 1099-R will be issued after an active teacher dies to reflect their unused leave payout or after a serviceperson dies in the line of duty to reflect their death benefit payout. Supernumeraries that are paid through the State Comptroller’s Office also receive a Form 1099-R. Once all Forms 1099 have been mailed, staff submit a file containing the information to the Internal Revenue Service. Records documenting the issuance of these

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35 Vendors become authorized to do business with the State of Alabama by registering via a software portal and submitting all required documentation. Vendors may register via the Department of Finance’s Vendor Self Service Portal (VSS) or via the Department of Finance Division of Purchasing’s software portal, Alabama Buys, depending on the nature of the business.

36 Vendors become inactive periodically for a variety of reasons including, but not limited to, incorrect information on file, vendor request(s), 1099s returned as undeliverable, IRS Backup Withholding Program notifications, and tax levies.

37 Form W-2 is an Internal Revenue Service tax form used in the United States to report wages paid to employees and taxes withheld. Form 1099-MISC is used to report miscellaneous income (such as payment to independent contractors for services), Form 1099-NEC is used to report non-employee compensation, and Form 1099-G is used to report state and local income tax refunds.

38 Form 1099-R is used to report distributions from pensions, annuities, retirement funds, and Individual Retirement Accounts (IRAs).
forms should be retained for seven years based on best practices in the accounting profession.

- **Federal Fund Supporting Documentation.** The State Comptroller’s Office may periodically be responsible for distributing federal funds. For instance, in 2020, the State Comptroller established a Coronavirus Relief Funds Office to administer Alabama’s share of federal funds from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).\(^{39}\) Alabama also received federal funds from the American Rescue Plan Act of 2021.\(^{40}\) The records should be retained for seven years based on best practices in the accounting profession.

- **Financial Transaction Data (Including Database Fields) in the State of Alabama Accounting and Resource System (STAARS), its Counterparts, or its Equivalents, Not Otherwise Described.** The State Comptroller’s Office maintains intellectual control over financial transaction data within the State of Alabama Accounting and Resource System (STAARS), which acts as a hub through which all accounting for the State of Alabama flows. The Office shares intellectual control of financial transaction data in other related financial systems; for instance, the State Comptroller’s Office and the State Personnel Department share custody of the information in the state payroll system. The scope of this record series includes transactional data not represented elsewhere in this RDA. Financial transaction data should be retained for seven years based on best practices in the accounting profession, and other data entry fields until superseded.

- **Monthly, Daily, or Other Periodic Departmental Expenditure Reports.** The State Comptroller’s Office may produce monthly, daily, or other periodic reports upon agency request. For instance, at the first of each month, the Financial Reporting Section creates agency-specific cash reconciliation reports and distributes them to state departments. Agencies can use these reports to get a real-time snapshot of expenditures. These snapshots have limited long-term value compared to annual expenditure reports like the Annual Comprehensive Financial Report (ACFR), which is a permanent record series described below. These monthly, daily, or other periodic reports should be retained for seven years based on best practices in the accounting profession.

- **Open Alabama Files.** Open Alabama (open.alabama.gov) is a website where members of the public can see how state funds are spent. The State Comptroller’s Office is responsible for making sure that the financial information in Open Alabama has been properly reconciled. They accomplish this by performing weekly reconciliations between Open Alabama and STAARS Financial and resolving any errors that arise. Financial information entered into Open Alabama should be retained for seven years based on best practices in the accounting profession.

- **Financial Management System Support Platform Tickets.** The State Comptroller’s Office utilizes an information technology (IT) management platform to receive and

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process “tickets” related to the State of Alabama’s financial management systems. Different types of tickets include various categories of information including, but not limited to, requestor name, document code, impact, department, urgency, and incident description. Depending on the nature of the problem raised in the ticket, staff will either process the ticket in-house or refer the ticket to the Department of Finance’s State Business Systems Division. These tickets should be retained for seven years based on best practices in the accounting profession.

- **Financial Management System Support Platform User Information.** The State Comptroller’s Office utilizes an information technology (IT) management platform to receive and process “tickets” related to the State of Alabama’s financial management systems. Information is produced and maintained pertaining to users who interact with the tickets on the platform. For example, the platform may store private messages sent by a user, and/or a list of work groups to which the user belongs. User information should be retained for seven years based on best practices in the accounting profession.

- **Card Services Records (Including Purchasing and Travel Card Programs).** The State Comptroller’s Office administers card programs; as of April 2022, these include the PCard and Travel Card programs. Both cards are technically co-administered under a single, umbrella program through a financial institution. The program is itself contracted through the State Purchasing process, so the financial institution administering the program could vary with time. In order to be eligible to participate in the programs, state agencies must function within the State Treasury, must conduct all purchasing activity via the Department of Finance’s Division of Purchasing, must be approved for participation by the State Finance Director, and each cardholder must be an active state employee.

  The PCard program allows state employees to pay for goods and non-professional services more quickly and efficiently, but functions within the parameters of the state’s purchasing policies. The Travel Card program allows state employees to pay for out-of-state and in-state actual travel expenses, with the exception of meals and incidental expenses. Cards can only be issued to actively serving state employees. The cards have a default $500 limit, but the amount can be adjusted upwards based on individual agencies’ spending patterns. The program as a whole carries an overall limit between $6 million and $6.5 million, as of April 2022. Records pertaining to these card programs should be retained for seven years based on best practices in the accounting profession.

- **Payroll Records.** The State Comptroller’s Office uses two separate programs to administer the State of Alabama’s payroll. Everything that is related to payroll must be recorded in the payroll system (as of April 2022, the Government Human Resources Department is utilizing the cloud-based ServiceNow system.

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41 As of April 2022, the office is utilizing the cloud-based ServiceNow system.
42 The Department of Finance State’s Business Systems Division (SBS) is a cross-disciplinary unit that provides technical support to the State of Alabama’s financial management systems.
43 As of April 2022, the office is utilizing the cloud-based ServiceNow system.
44 Professional services are often acquired through the state purchasing process. Architectural drafting and accounting are examples of professional services.
System, or GHRD), but everything related to accounting must be recorded in STAARS Financial, because the payroll disbursements are processed via STAARS. Information in the payroll system may include, but is not limited to, garnishment details, interagency personnel transfers, promotions, and leave balances. Payroll deductions for the wrong amount can be corrected within the payroll system, as well. The payroll system does not contain certain files produced by the State Personnel Department, such as registers and position announcements. It does contain items relating to employee records, annual raises, and personal leave days. Payroll records maintained by the State Comptroller’s Office within the payroll system should be retained for twenty-five years after separation of the employee to ensure that the records remain available until the employee retires.

- **Shared Services Agreement Files.** The State Comptroller’s Office conceptualizes state agencies as being either “automated agencies” or “manual agencies.” Automated agencies use STAARS and have dedicated accounting professionals on staff. Manual agencies do not use STAARS, do not have accounting professionals on staff, and interact with the Department of Finance by sending and receiving documents on paper. The State Comptroller’s Office Shared Services Section acts as a centralized hub to serve manual agencies, performing all functions that accounting professionals perform in automated agencies. Manual agencies may choose to enter into agreements with the State Comptroller’s Office Shared Services Section to receive these services. The agreement files should be retained for seven years, or five years after the agreement expires or becomes superseded, whichever is longer. The seven-year retention is based on best practices in the accounting profession, while the retention for five years after the agreement expires or becomes superseded is included by agency request.

- **Shared Services Disbursements and Accounting Records Not Described Elsewhere.** The State Comptroller’s Office performs data entry work of all kinds, keying expenses into STAARS on behalf of agencies outside the state financial system, including manual state agencies and local government agencies. For instance, the Office processes sheriff’s feed bills monthly in accordance with statute. The Office pays for foreign language interpreters to be present at court proceedings. Additionally, the Office pays for prisoner extraditions, which entails paying for county sheriff’s office personnel to travel outside Alabama and return with a prisoner, as well as any other transportation-related expenses. These records, along with other duties of this miscellaneous nature, should be retained for seven years based on best practices in the accounting profession.

- **Register of Administrative Rules.** According to the Code of Alabama 1975 § 41-22-6 through § 41-22-7, agencies must compile and maintain “an official register of regulations which shall be compiled, indexed, published in loose-leaf form, and kept up to date…” This “official register of regulations” is known as “The Department of Finance

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45 The payroll system described here differs from the eSTART Time and Attendance System. Timekeeping information entered into eSTART workflows into HRM using a crosswalk program operated by the Department of Finance’s State Business Systems Division (SBS).
46 Sheriff’s feed bills are incurred when the sheriff feeds inmates in his/her county jail.
47 The Department of Finance Indigent Defense Division, which is governed by a separate RDA, pays for foreign language interpreters to be present at jailhouse visits.
– State Comptroller’s Office Code” and must be made available upon request to all persons. Since the register must be updated on an ongoing basis, it is to be retained until superseded.

- **Administrative Rule Change Working Files.** The Alabama Administrative Procedure Act (Code of Alabama 1975 Title 41 Chapter 22) details the steps which an agency must follow when updating its administrative rules. Working files are produced in the course of the proposal, adoption, amendment, and/or repeal of administrative rules. Records in this series may include, but are not limited to, the following: received public comments, economic impact statements, and business impact analyses. A retention of one year after adoption, amendment, repeal, or rejection of an administrative rule permits review by staff when considering similar rules.

**Permanent Records**

The Archives Division has appraised the following records as permanent.

**Controlling, Auditing, and Recording Financial Transactions**

- **Fiscal Policy and Procedures Manuals.** The *Fiscal Policy and Procedures Manual* is a handbook used by all automated/non-manual state agencies that describes the correct procedures for handling financial documents in STAARS. The Manual is periodically revised by a committee including representatives from the State Comptroller’s Office, the Department of Finance Director’s Office, and the Department of Finance Legal Division. Revisions to the manual must be approved by the Governor. The Manual and its counterpart, the *Non-Automated Accounts Payable Document Preparation Reference Guide* (described below), contain critical information on the state’s accounting practices and should be permanently retained as a result. (*Bibliographic Title: Policies and Procedures*)

- **Non-Automated Accounts Payable Document Preparation Guides.** The *Fiscal Policy and Procedures Manual* (described above) has a counterpart for manual state agencies, which is called the *Non-Automated Accounts Payable Document Preparation Reference Guide*. The Guide describes the correct procedures for preparing and submitting documents and invoices to the State Comptroller’s Office for payment. The Guide and its counterpart contain critical information on the state’s accounting practices and should be permanently retained as a result. (*Bibliographic Title: Policies and Procedures*)

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48 The State Comptroller’s Office conceptualizes state agencies as being either “automated agencies” or “manual agencies.” Automated agencies use STAARS and have dedicated accounting professionals on staff. Manual agencies do not use STAARS and do not have accounting professionals on staff. The State Comptroller’s Office Shared Services Section acts a centralized hub to serve manual agencies, performing all functions that accounting professionals perform in automated agencies.

- **Federal Fund Disbursement Reports.** The State Comptroller’s Office may prepare reports for certain federal funding appropriations, such as funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act of 2021. Federal fund disbursement reports like these document the Office’s role in controlling the State of Alabama’s finances and should therefore be permanently retained. *(Bibliographic Title: Disbursement Reports)*

- **Grant Records – Grant Project Final Reports.** The State Comptroller’s Office may administer grant programs from time to time. The Office administered several such programs, for example, during the COVID-19 pandemic. The Revive Plus Program offered grants for small businesses, nonprofits, and faith-based organizations. Stabilization Grants were made available to cattle producers and poultry farmers. The State Supplemental Coronavirus Food Assistance Program (CFAP) Grant offered funds to producers who qualified for the U.S. Department of Agriculture’s CFAP program. Additionally, the Alabama Health Care and Emergency Response Providers Grant Program assisted healthcare providers and emergency response providers. The final reports from grant projects like these document the Office’s role in providing financial assistance to Alabamians and should therefore be permanently retained. *(Bibliographic Title: Grant Reports)*

**Reporting on State Funds**

- **Annual Comprehensive Financial Reports (ACFRs).** The Code of Alabama 1975 § 41-4-3 requires the Department of Finance to “make the annual financial report of the state… to present an accurate description of the financial condition of the state during the preceding fiscal year.” The State Comptroller’s Office compiles this report in the form of an Annual Comprehensive Financial Report (ACFR), which presents financial information on all of state government as a single entity. The ACFR documents transactions via accrual accounting, meaning that revenue is recorded when income is earned, and expenses are recorded when goods and services are delivered, which may happen before cash is paid out. The report is prepared pursuant to the professional standards outlined by the Governmental Accounting Standards Board (GASB). Taken together, the ACFR and Schedules of Expenditures of Federal Awards (SEFAs, described below) provide comprehensive documentation of the State of Alabama’s finances and should be permanently retained as a result. *(Bibliographic Title: State Publications)*

- **Schedules of Expenditures of Federal Awards (SEFAs).** The State Comptroller’s Office completes the Schedule of Expenditures of Federal Awards (SEFA) for the State of Alabama. The Code of Federal Regulations requires that a non-federal entity that expends $750,000 or more in federal funds during a fiscal year must have a single audit

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51 The Governmental Accounting Standards Board (GASB) publishes the generally accepted accounting principles (GAAP) used by all fifty states and local governments.
conducted for that year.\textsuperscript{52} The SEFA must be prepared by the entity (in this case, the State of Alabama) as part of the auditing process.\textsuperscript{53} The SEFA reports financial transactions using cash basis accounting, meaning that revenue is recorded when cash has been received, and expenses are recorded when cash is paid out.

The State Comptroller’s Office drafts the SEFA, and the Examiners of Public Accounts double-check it for accuracy. Once the review process has been completed, the State Comptroller’s Office submits the SEFA to the federal government for review. The Annual Comprehensive Financial Report (ACFR, described above) must be completed before the SEFA can be submitted. Taken together, the ACFR and SEFA provide comprehensive documentation of the State of Alabama’s finances and should be permanently retained as a result. (\textbf{Bibliographic Title: Schedules of Expenditures of Federal Awards})

- **State Charts of Accounts.** The State Comptroller’s Office maintains the state’s chart of accounts in accordance with the U.S. generally accepted accounting principles (GAAP).\textsuperscript{54} A chart of accounts is an index of all the financial accounts within the State of Alabama’s ledger. The chart of accounts document must be updated somewhat regularly, whenever new expenditure codes are established. For example, when the Governor declares a state of emergency in response to significant weather events, then the chart of accounts must be updated so that agencies can input their unanticipated expenditures into STAARS using the correct codes. The chart of accounts may also need to be updated following the passage of state or federal legislation (for instance, the American Rescue Plan Act of 2021). The chart of accounts documents the ways that the State of Alabama conceptualizes its financial structure and should be permanently retained as a result. (\textbf{Bibliographic Title: Account Charts})

\section*{Administering Internal Operations}

- **Policies and Procedures - Policies and procedures governing core functions and services.** These records document the division's role in promulgating policies governing critical operations. The scope of the series does not include policies concerning the administration of routine, internal operations. (\textbf{Bibliographic Title: Policies and Procedures})

- **Certified Copies of Administrative Rules.** The Alabama Administrative Code is a compilation of the rules of all state agencies covered by the Alabama Administrative Procedure Act. Each agency covered by the Act may propose and adopt revisions to its administrative rules. According to the Code of Alabama 1975 § 41-22-6, “each agency shall have an officer designated as its secretary and shall file in the office of the secretary of the agency a certified copy of each rule adopted [by the agency].” (\textbf{Bibliographic Title: Administrative Rules})

\footnotesize
\begin{itemize}
\item \textsuperscript{52} A single audit is an organization-wide financial statement and federal awards audit. The opposite of a single audit is a program-specific audit, which discusses only one federal program and excludes others.
\item \textsuperscript{53} 2 CFR § 200.501 and § 200.510.
\item \textsuperscript{54} The generally accepted accounting principles (GAAP) are the set of accounting standards adopted by the U.S. Securities and Exchange Commission (SEC). See https://www.investopedia.com/terms/c/chart-accounts.asp.
\end{itemize}
Title: Not Applicable) (Maintained by the Department of Finance – State Comptroller’s Office)

- **Administrative Files that Document Policy, Process, and Procedure.** These records, which include official correspondence of the division, document actions and positions of the division. They do not include correspondence dealing with routine matters. These records include, but are not limited to, correspondence with state officials, legal/advisory correspondence, subject files, and other correspondence. *(Bibliographical Title: Administrative Files)*

- **Annual and Other Periodic Reports.** These records include reports created by the division that document its critical activities. Some agencies must submit an annual report to the Governor and/or the legislature by statute. The frequency of report publications may vary (annual, biannual, quarterly, etc.). Interim reports that contain the same substantive information as a corresponding annual or other periodic report need not be retained permanently. Where no division annual report exists, or where the division annual report does not adequately document activities of the agency, then section annual reports should be retained. *(Bibliographic Title: State Publications)*

- **Special Reports.** These records include reports created by the division pertaining to a specific topic or subject area. Special reports may be prepared on an irregular schedule. Interim reports that contain the same substantive information as a corresponding special report need not be retained permanently. *(Bibliographic Title: State Publications)*

- **Newsletters.** The division may publish newsletters which provide recipients with information regarding the activities of the department; highlights of projects and programs; news and announcements; and upcoming events. These publications document the division’s outreach to key stakeholders and the public. *(Bibliographic Title: State Publications)*

- **Representational Final Versions of Informational and Promotional Materials.** These records are created to build public awareness about a variety of issues and department related activities. Examples of these records include, but are not limited to, press releases and brochures. The publications document the activities of the Department of Finance – State Comptroller’s Office and how it views these activities. *(Bibliographic Title: Publicity Files)*

- **Selection of Representative Photographs (Including High Quality and/or Published Photographs).** This series includes photographs taken by department staff or contractors for informational and promotional purposes. A selection of the department's representative photographs, including high quality photographs and/or photographs published in informational and promotional materials, provides visual documentation of the department's significant activities. This selection is to be retained permanently. Photographs outside of this representative selection, including duplicative and poor photographs, are to be retained for useful life. Copyright and reproduction records including, but not limited to, use agreements, release forms, service request forms, and
requests for permission to reproduce or publish photographs, are to be retained for the life of the photograph and may be permanent if related to photographs with a permanent retention. Photographs taken for internal or reference use are to be retained for useful life. (Bibliographic Title: Photographs)

- **Final and/or Edited Audiovisual Materials.** This series includes audio and/or video recordings taken by department staff or contractors for informational or promotional purposes. Final and/or edited recordings document the department's activities and are to be retained permanently. Copyright and reproduction records including, but not limited to, use agreements, release forms, service request forms, and requests for permission are to be retained for the life of the recording. Stock or raw footage is to be retained for useful life. Recordings taken for internal or reference use are also to be retained for useful life. (Bibliographic Title: Audiovisual Recordings)

- **Website(s) and Social Media Page(s).** The division administers two websites, www.comptroller.alabama.gov and www.open.alabama.gov. Information on the Office’s main website includes copies of the Annual Comprehensive Financial Report (ACFR), policies and procedures, and information on the State Comptroller’s Office sections and their respective responsibilities. Information on Open Alabama includes details about state spending and state properties. ADAH staff capture and preserve the agency’s website(s) and other social media page(s) via a service offered by the Internet Archive [Archive-It]. Any content behind password protection or login would not be captured by the ADAH. Check with the ADAH website at www.archive-it.org/organizations/62 to ensure that your agency’s website(s) and social media site(s) are captured and preserved. If your agency’s website(s) and social media page(s) are not being captured by the service, please contact the Archives Division at 334-242-4452 to get them included. (Bibliographic Title: Website and Social Media Sites)
Permanent Records List
Department of Finance – State Comptroller’s Office

Controlling, Auditing, and Recording Financial Transactions

1. Fiscal Policy and Procedures Manuals
3. Federal Fund Disbursement Reports
4. Grant Records – Grant Project Final Reports

Reporting on State Funds

1. Annual Comprehensive Financial Reports (ACFRs)
2. Schedules of Expenditures of Federal Awards (SEFAs)
3. State Charts of Accounts

Administering Internal Operations

1. Policies and Procedures – Policies and procedures governing core functions and services
2. Certified Copies of Administrative Rules*
3. Administrative Files that Document Policy, Process, and Procedure
4. Annual and Other Periodic Reports
5. Special Reports
6. Newsletters
7. Representational Final Versions of Informational and Promotional Materials
8. Selection of Representative Photographs (Including High Quality and/or Published Photographs)
9. Final and/or Edited Audiovisual Materials
10. Website(s) and Social Media Page(s)

*indicates records that the Department of Finance – State Comptroller’s Office determined should be retained permanently and that ADAH anticipates will remain in the care and custody of the creating agency.

All other permanent records are to be transmitted to the ADAH once they are no longer in active use by the Department of Finance – State Comptroller’s Office.
Department of Finance – State Comptroller’s Office Records Disposition Authority

This Records Disposition Authority (RDA) is issued by the State Records Commission under the authority granted by the Code of Alabama 1975 § 41-13-5 and 41-13-20 through 21. It was compiled by the Archives Division, Alabama Department of Archives and History (ADAH), which serves as the Commission’s staff, in cooperation with representatives of the Division. The RDA lists records created and maintained by the Division in carrying out their mandated functions and activities. It identifies records which must be maintained permanently and ultimately transferred to the ADAH; establishes retention periods for temporary records; and provides the legal authority for the Division to implement destruction of eligible records.

Alabama law requires public officials to create and maintain records that document the business of their offices. These records must be protected from “mutilation, loss, or destruction,” so that they may be transferred to an official’s successor in office and may be made available to members of the public. Records also must be kept in accordance with auditing standards approved by the Examiners of Public Accounts (Code of Alabama 1975 § 36-12-2, 36-12-4, and 41-5-23). For assistance in implementing this RDA, or for advice on records disposition or other records management concerns, contact the division records manager or ADAH Archives Division at (334) 242-4452.

Explanation of Records Requirements

The RDA shall govern the disposition of all records, regardless of format, created by the division from creation to dissolution. Please contact the staff of the Department of Archives and History before destroying any records created prior to 1940.

This RDA supersedes any previous records disposition schedules or RDAs governing the retention of the records created by the Division. Copies of superseded schedules are no longer valid and may not be used for records disposition.

The RDA establishes retention and disposition instructions for records listed below, regardless of the medium on which those records may be kept. Electronic mail, for example, is a communications tool that may record permanent or temporary information. As for records in any other format, the retention periods for e-mail records are governed by the requirements of the subfunctions to which the records belong.

Certain other record-like materials are not actually regarded as official records and may be disposed of under this RDA. Such materials include (1) duplicate record copies that do not require official action, so long as the creating office maintains the original record for the period required; (2) catalogs, trade journals, and other publications received that require no action and do not document division activities; (3) stocks of blank stationery, blank forms, or other surplus materials that are not subject to audit and have become obsolete; (4) transitory records, which are temporary records created for short-term, internal purposes, may include, but are not limited to, telephone call-back messages, drafts of ordinary documents not needed for their evidential value,
copies of material sent for information purposes but not needed by the receiving office for future business, and internal communications about social activities; (5) honorary materials, plaques, awards, presentations, certificates, and gifts received or maintained by the division staff. They may be disposed of without documentation of destruction.

**Records Disposition Requirements**

This section of the RDA is arranged by subfunctions of the Division and lists the groups of records created and/or maintained as a result of activities and transactions performed in carrying out these subfunctions. The Division may submit requests to revise specific records disposition requirements to the State Records Commission for consideration at its regular biannual meetings.

**Controlling, Auditing, and Recording Financial Transactions**

**FISCAL POLICY AND PROCEDURES MANUALS**
Disposition: PERMANENT RECORD.

**NON-AUTOMATED ACCOUNTS PAYABLE DOCUMENT PREPARATION REFERENCE GUIDES**
Disposition: PERMANENT RECORD.

**Journal Vouchers (Including Cost Accounting and Income Allocation)**
Disposition: Temporary Record. Retain 7 years.

**Journal Voucher Advances (JVAs)**
Disposition: Temporary Record. Retain 7 years.

**Warrant Cancellations and Related Files**
Disposition: Temporary Record. Retain 7 years.

**Cash Management and Fund Transfer Records**
Disposition: Temporary Record. Retain 7 years.

**Warrant Verification Records**
Disposition: Temporary Record. Retain 7 years.

**Manual Disbursement Records (Including Hot Warrant Records)**
Disposition: Temporary Record. Retain 7 years.

**Accounts Payable Records (Including Special Documents)**
Disposition: Temporary Record. Retain 7 years.

**Cash Receipts and Related Files (Including County Revenues and State Agency Cash Receipts)**
Disposition: Temporary Record. Retain 7 years.
Reimbursement Records
Disposition: Temporary Record. Retain 7 years, or 1 year after compliance or financial audit, whichever is longer.

Garnishment Records
Disposition: Temporary Record. Retain 7 years, or 5 years after the court order concludes, whichever is longer.

Teachers’ Preretirement Death Benefit Payouts
Disposition: Temporary Record. Retain 7 years.

Year-End Closeout Files
Disposition: Temporary Record. Retain 7 years.

Encumbrances and Related Files
Disposition: Temporary Record. Retain 7 years.

Records of County Official Surety Bonds
Disposition: Temporary Record. Retain 7 years.

County Tax Official Final Settlements and Related Files
Disposition: Temporary Record. Retain 7 years.

Petitions for Refunds and Related Files
Disposition: Temporary Record. Retain 7 years.

Privilege License and Decal Distribution Records
Disposition: Temporary Record. Retain 7 years.

Production Privilege Disbursement Records
Disposition: Temporary Record. Retain 7 years.

Tag Distribution Records
Disposition: Temporary Record. Retain 7 years.

Professional Service Contract Files
Disposition: Temporary Record. Retain 7 years.

Agency Signature Files
Disposition: Temporary Record. Retain 7 years, or 1 year after compliance or financial audit, whichever is longer.

Statewide Vendor Database
Disposition: Temporary Record. Retain vendor information for 7 years after the end of the fiscal year in which the vendor becomes inactive, and other data entry fields until superseded.
Records Documenting Issuance of Federal Tax Forms
Disposition: Temporary Record. Retain 7 years.

Records Documenting Federal Fund Disbursements

a. FEDERAL FUND DISBURSEMENT REPORTS
Disposition: PERMANENT RECORD.

b. Federal Fund Supporting Documentation
Disposition: Temporary Record. Retain 7 years.

Grant Records

a. GRANT PROJECT FINAL REPORTS
Disposition: PERMANENT RECORD.

b. Grant Applications and Application Materials Received
Disposition: Temporary Record. Retain 6 years after submission of final report, conclusion of the grant, or rejection of application.

c. Grant Financial Reports
Disposition: Temporary Record. Retain 6 years after submission of final report or conclusion of the grant, or two years after audit, whichever is longer.

d. Supporting Documentation
Disposition: Temporary Record. Retain 6 years after submission of final report or conclusion of the grant, or two years after audit, whichever is longer.

Financial Transaction Data (Including Database Fields) in the State of Alabama Accounting and Resource System (STAARS), its Counterparts, or its Equivalents, Not Otherwise Described
Disposition: Temporary Record. Retain financial transaction data 7 years, and other data entry fields until superseded.

Reporting on State Funds

ANNUAL COMPREHENSIVE FINANCIAL REPORTS (ACFRs)
Disposition: PERMANENT RECORD.

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS (SEFAs)
Disposition: PERMANENT RECORD.

STATE CHARTS OF ACCOUNTS
Disposition: PERMANENT RECORD.
Monthly, Daily, or Other Periodic Departmental Expenditure Reports
Disposition: Temporary Record. Retain 7 years.

Open Alabama Files
Disposition: Temporary Record. Retain 7 years.

Supporting State Financial Management Systems

Financial Management System Support Platform Tickets
Disposition: Temporary Record. Retain 7 years.

Financial Management System Support Platform User Information
Disposition: Temporary Record. Retain 7 years.

Card Services Records (Including Purchasing and Travel Card Programs)
Disposition: Temporary Record. Retain 7 years.

Payroll Records
Disposition: Temporary Record. Retain 25 years after separation of employee.

Shared Services Agreement Files
Disposition: Temporary Record. Retain 7 years, or 5 years after the agreement expires or becomes superseded, whichever is longer.

Shared Services Disbursements and Accounting Records Not Described Elsewhere
Disposition: Temporary Record. Retain 7 years.

Administering Internal Operations: Managing the Division

Policies and Procedures

a. POLICIES AND PROCEDURES GOVERNING CORE FUNCTIONS AND SERVICES
Disposition: PERMANENT RECORD.

b. Policies and procedures concerning internal operations, including the administration of finances, personnel, properties, facilities, and resources
Disposition: Temporary Record. Retain 3 years.

CERTIFIED COPIES OF ADMINISTRATIVE RULES
Disposition: PERMANENT RECORD. Retain in office.

Register of Administrative Rules
Disposition: Temporary Record. Retain until superseded.
Administrative Rule Change Working Files
Disposition: Temporary Record. Retain 1 year after adoption, amendment, repeal, or rejection of the rule.

ADMINISTRATIVE FILES THAT DOCUMENT POLICY, PROCESS, AND PROCEDURE
Disposition: PERMANENT RECORD.

ANNUAL AND OTHER PERIODIC REPORTS
Disposition: PERMANENT RECORD.

SPECIAL REPORTS
Disposition: PERMANENT RECORD.

NEWSLETTERS
Disposition: PERMANENT RECORD.

REPRESENTATIONAL FINAL VERSIONS OF INFORMATIONAL AND PROMOTIONAL MATERIALS
Disposition: PERMANENT RECORD.

Informational and Promotional Working Files
Disposition: Temporary Record. Retain for useful life.

Photographs

a. SELECTION OF REPRESENTATIVE PHOTOGRAPHS (INCLUDING HIGH QUALITY AND/OR PUBLISHED PHOTOGRAPHS)
   Disposition: PERMANENT RECORD.

b. Photographs Outside of Representative Selection (Including Duplicative and Poor Photographs)
   Disposition: Temporary Record. Retain for useful life.

c. Copyright and Reproduction Records for Photographs
   Disposition: Retain for life of photograph.

d. Photographs Taken for Internal or Reference Use
   Disposition: Temporary Record. Retain for useful life.

Audiovisual Recordings

a. FINAL AND/OR EDITED AUDIOVISUAL RECORDINGS
   Disposition: PERMANENT RECORD.
b. Footage (Including Stock and Raw Audiovisual Recordings)  
Disposition: Temporary Record. Retain for useful life.

c. Copyright and Reproduction Records for Audiovisual Recordings  
Disposition: Retain for life of recording.

d. Audiovisual Recordings Taken for Internal or Reference Use  
Disposition: Temporary Record. Retain for useful life.

Routine Correspondence  
Disposition: Temporary Record. Retain 3 years.

Administrative Reference Files  
Disposition: Temporary Record. Retain for useful life.

Financial Research on Professional Standards Working Files  
Disposition: Temporary Record. Retain 7 years.

Legislative Files (drafts of proposed agency-sponsored legislation, tracking files and records)  
Disposition: Temporary Record. Retain for useful life.

Records documenting the implementation of the division’s approved RDA (copies of transmittal forms to Archives or State Records Center, evidence of obsolete records destroyed, and annual reports to State Records Commission)  
Disposition: Temporary Record. Retain 10 years.

Signed Copies of Approved RDA  
Disposition: Temporary Record. Retain until superseded.

Computer Systems Documentation (Hardware/Software Specifications and Warranties)  
Disposition: Temporary Record. Retain documentation of former system 1 year after audit for the fiscal year in which the former hardware and software no longer exists anywhere in the division and all permanent records have been migrated to a new system.

WEBSITE(S) AND SOCIAL MEDIA PAGE(S)  
Disposition: PERMANENT RECORD.

Note: ADAH staff capture and preserve the agency’s website(s) and other social media page(s) via a service offered by the Internet Archive [Archive It]. Any content behind password protection or login would not be captured by ADAH. Check with the ADAH website at www.archive-it.org/organizations/62 to ensure your agency and social media page(s) are captured and preserved. If your agency’s website(s) and social media page(s) are not captured by the service, please contact the Archives Division at 334-242-4452 to get them included.
Administering Internal Operations: Managing Finances

Records documenting the preparation of a budget request package and reporting of the status of funds, requesting amendments of allotments, and reporting program performance
Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm, or one year after the end of the fiscal year the audit covers, whichever is later.

Records documenting the requisitioning and purchasing of supplies and equipment, receipting and invoicing for goods, and authorizing payment for products
Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm, or one year after the end of the fiscal year the audit covers, whichever is later.

Records of original entry or routine accounting transactions, such as journals, registers, ledgers, and receipt books, and records of funds deposited outside the state treasury
Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm, or one year after the end of the fiscal year the audit covers, whichever is later.

Purchase and Repair Order Documents
Disposition: Temporary Record. Retain for life of warranty.

Records documenting requests for authorization from supervisors to travel on official business and other related materials, such as travel reimbursement forms and itineraries
Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm, or one year after the end of the fiscal year the audit covers, whichever is later.

Records documenting contracts for services or personal property
Disposition: Temporary Record. Retain 6 years after expiration of the contract.

Records documenting the bid process (including requests for proposals and unsuccessful responses)
Disposition: Temporary Record. Retain for 10 years after the award of the contract.

Division Audit Reports
Disposition: Temporary Record. Retain 6 years after the end of the fiscal year in which the records were created.

Records documenting the application for, award of, receipt and disbursement of, and reporting of expenditure of federal funds received through grants and federal funds
Disposition: Temporary Record. Retain 6 years after submission of final expenditure report.

Records documenting the unsuccessful application for grants and federal funds
Disposition: Temporary Record. Retain 1 year.
Administering Internal Operations: Managing Human Resources

**Job Recruitment Materials**
Disposition: Temporary Record. Retain 1 year after audit.

**Application Materials**
Disposition: Temporary Record. Retain 1 year.

**Position Classification Questionnaire**
Disposition: Temporary Record. Retain 4 years after reclassification of the position.

**Records documenting payroll (e.g. pre-payroll reports, payroll check registers)**
Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm.

**Records documenting payroll deduction authorizations**
Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

**Records documenting payroll deductions for tax purposes (including Form 941)**
Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm, or one year after the end of the fiscal year the audit covers, whichever is later.

**Personnel File - Records documenting an employee’s work history - generally maintained as a case file**
Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

**Records documenting employees’ daily and weekly work schedules**
Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm, or one year after the end of the fiscal year the audit covers, whichever is later.

**Records documenting employee hours worked, leave earned, and leave taken**
Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm, or one year after the end of the fiscal year the audit covers, whichever is later.

**Records Documenting Leave Donations**
Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm, or one year after the end of the fiscal year the audit covers, whichever is later.
**Records of Final Leave Status**  
Disposition: Temporary Record. Retain record of individual employees’ cumulative leave 6 years after separation of employee from the agency.

**Employee Flexible Benefits Plan Files (Applications and Correspondence)**  
Disposition: Temporary Record. Retain 6 years after termination of participation in the program.

**Records documenting the State Employee Injury Compensation Trust Fund (SEICTF) Claims**  
Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

Disposition: Temporary Record. Retain 6 years after final dispensation.

**Equal Employment Opportunity Commission Case Files**  
Disposition: Temporary Record. Retain 3 years.

**Employee Administrative Hearing Files**  
Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

**Records Documenting Employee Grievances (Internal Complaints)**  
Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

**Records documenting complaints against the division and its employees from outside the division (made by members of the public, officials, or supervisees, etc.)**  
Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

**Records (maintained separately from employee personnel file) documenting employee disciplinary proceedings and appeals of formal reprimands, demotions, transfers, or terminations resulting from a grievance or complaint**  
Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

**Records documenting the administration of the unemployment compensation program**  
Disposition: Temporary Record. Retain 6 years after conclusion of eligibility.

**Administering Internal Operations: Managing Properties, Facilities, and Resources**

**Semiannual Property Inventory Lists**  
Disposition: Temporary Record. Retain 2 years (Code of Alabama 1975 § 36-16-8[1]).
Division Copies of Transfer of State Property Forms (SD-1)
Disposition: Temporary Record. Retain 1 year after property audit.

Property Inventory Cards and/or Computer Files
Disposition: Temporary Record. Retain 1 year after property audit.

Property Inventory Affidavits
Disposition: Temporary Record. Retain 1 year after property audit.

Receipts of Responsibility for Property
Disposition: Temporary Record. Retain until return of item to property manager.

Records documenting the use, maintenance, ownership, insurance, and disposition of vehicles owned by the division
Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the vehicle was removed from the property inventory.

Real Property Renting/Leasing records
Disposition: Temporary Record. Retain 6 years after the termination of lease or rental agreement or until division is audited and audit report is released, whichever is longer.

Facilities/Building Security Records (including visitor logs)
Disposition: Temporary Record. Retain 1 year.

Motor Pool Vehicle Use Records
Disposition: Temporary Record. Retain 1 year after compliance or financial audit by the Examiners of Public Accounts or an equivalent auditing firm, or one year after the end of the fiscal year the audit covers, whichever is later.

Insurance Policies/Risk Management Records
Disposition: Temporary Record. Retain 6 years after termination of policy or membership.

Building Maintenance Work Orders
Disposition: Temporary Record. Retain 1 year.

Records Documenting Vehicle Use/Mileage
Disposition: Temporary Record. Retain 1 year.
Requirement and Recommendations for Implementing the Records Disposition Authority (RDA)

Requirement

Under the Code of Alabama 1975 § 41-13-21, “no state officer or agency head shall cause any state record to be destroyed or otherwise disposed of without first obtaining approval of the State Records Commission.” This Records Disposition Authority constitutes authorization by the State Records Commission for the disposition of the records of the Division as stipulated in this document.

One condition of this authorization is that the Division submit an annual Records Disposition Authority (RDA) Implementation Report on its activities, including documentation of records destruction, to the State Records Commission.

Unless otherwise stipulated in this document, the Division must transmit all permanent records which are no longer in active use to the ADAH.

Recommendations

In addition, the Division should make every effort to establish and maintain a quality record-keeping program by conducting the following activities:

The Division should designate a staff member in a managerial position as its records liaison/records manager, who is responsible for: ensuring the development of quality record keeping systems that meet the business and legal needs of the division, coordinating the transfer and destruction of records, ensuring that permanent records held on alternative storage media (such as microforms and digital imaging systems) are maintained in compliance with national and state standards, and ensuring the regular implementation of the division’s approved RDA.

Permanent records in the Division’s custody should be maintained under proper intellectual control and in an environment that will ensure their physical order and preservation. ADAH archivists are available to work with Division staff in determining the best location and storage conditions for permanent records.

Destruction of temporary records, as authorized in this RDA, should occur agency-wide on a regular basis – for example, after the successful completion of an audit, at the end of an administration, or at the end of a fiscal year. Despite the RDA’s provisions, no record should be destroyed that is necessary to comply with requirements of the Open Meetings Act, audit requirements, or any legal notice or subpoena.

The division should maintain full documentation of any computerized record-keeping system it employs. It should develop procedures for: (1) backing up all permanent records held in electronic format; (2) storing a back-up copy off-site; and (3) migrating all permanent records when the system is upgraded or replaced. If the division chooses to maintain permanent records
solely in electronic format, it is committed to funding any system upgrades and migration strategies necessary to ensure the records’ permanent preservation and accessibility.

Electronic mail contains permanent, temporary, or transitory record information. Although e-mail records can be printed out, filed, and retained according to the RDA’s requirements, the office should preferably employ an electronic records management system capable of sorting e-mail into folders and archiving messages having long-term value.

The staff of the State Records Commission or the Examiners of Public Accounts may examine the condition of the permanent records maintained in the custody of the Division and inspect records destruction documentation. Division records managers and/or the ADAH archivists are available to instruct the staff in RDA implementation and otherwise assist the Division in implementing its records management program. For more information, please call the ADAH Archives Division at 334-242-4452.

The State Records Commission adopted this records disposition authority on April 20, 2022.

____________________________________________    ________________
Steve Murray, Chairman                      Date
State Records Commission

By signing below, the division acknowledges receipt of the retention periods and requirements established by the records disposition authority.

_____________________________________________    _________________
Kathleen D. Baxter, State Comptroller     Date
Department of Finance – Division of Control and Accounts