

<b>Finance and Administration Cabinet STANDARD PROCEDURE</b>		<b>ISSUED BY:</b> Department of Revenue; Tax Administration
<b>PROCEDURE # 6.11.6</b>	<b>SUBJECT:</b> Journal Vouchers	
<b>EFFECTIVE DATE:</b> 6/22/2010		
<b>CONTACT:</b> Division of Operations		<b>LOCATION:</b> State Office Bldg <b>PHONE:</b> 502-564-9329

## STATEMENT OF AUTHORITY

1. The Finance and Administration Cabinet's Standard Procedures Manual establishes standard mandatory internal procedures cabinet-wide. These procedures are established in accordance with the Secretary's statutory authority under KRS 42.014 and KRS 12.270 to establish the internal organization and functions of the Cabinet as necessary to perform the duties effectively.
2. The Standard Procedures Manual may only be revised in accordance with the process outlined in Standard Procedure #1.1 entitled: "Finance Standard Procedures and Manual".

## I. POLICY

An on-line Journal Voucher System has been developed to facilitate timely and accurate changes to Department of Revenue accounts. All changes to tax accounts shall be executed in a uniform manner using this system. Journal vouchers involving changes to accounts from other agencies, General Fund, or special funds will be manually prepared using a Journal Voucher ([Form SP7.611061](#)) (Revenue Form 21A216).

## II. PROCEDURE

The following procedures should be used to determine whether a journal voucher is completed on-line or manually and the approval hierarchy:

### A. Complete the journal voucher on-line in the following situations:

1. When moving money from one account number to another account number. The account number(s) can be either active or inactive.
2. When moving money from one tax type to another tax type. This will frequently require the cooperation and participation of two (2) taxing sections.
3. When moving money from one tax period to another tax period.
4. When moving money from one account number to another account number, in order to offset a liability.
5. When moving a declaration payment to an un-validated return.

<b>Finance and Administration Cabinet STANDARD PROCEDURE</b>		<b>ISSUED BY:</b> Department of Revenue; Tax Administration
<b>PROCEDURE # 6.11.6</b>	<b>SUBJECT:</b> Journal Vouchers	
<b>EFFECTIVE DATE:</b> 6/22/2010		
<b>CONTACT:</b> Division of Operations		<b>LOCATION:</b> State Office Bldg <b>PHONE:</b> 502-564-9329

6. When correcting the account name, primary social security number, tax period, or validating number.
7. When transferring a return from a duplicate account to the actual account.
8. When changing accounts involving other agencies, including one-sided journal vouchers.

**B. Complete the Journal Voucher manually in the following situations:**

1. When changing accounts for any reason other than referenced in the previous section.
2. When changing accounts involving special funds.
3. When correcting a receipt account where the original receipt account was posted incorrectly.
4. When correcting an error to an account with an entry that was originally posted "out of range".

**C. On-line Journal Vouchers**

1. Both debiting and crediting parties should have a thorough understanding of the accounts being changed and why. Examiners or auditors who discover a need for a journal voucher should communicate with the taxing area required to initiate the process.
2. Initiation of the on-line journal voucher begins with the debiting party or crediting party.

**D. Manual Journal Vouchers**

1. The initiating party must send the prepared manual journal voucher to the appropriate approver(s) for review and signature.
2. The final approver sends the journal voucher to the Miscellaneous Processing Section, Division of Operations, to enter the information.

<b>Finance and Administration Cabinet STANDARD PROCEDURE</b>		<b>ISSUED BY:</b> Department of Revenue; Tax Administration
<b>PROCEDURE # 6.11.6</b>	<b>SUBJECT:</b> Journal Vouchers	
<b>EFFECTIVE DATE:</b> 6/22/2010		
<b>CONTACT:</b> Division of Operations		<b>LOCATION:</b> State Office Bldg <b>PHONE:</b> 502-564-9329

### E. Journal Voucher Approval Hierarchy

Approval must be obtained for both on-line and manual journal vouchers based upon dollar amount of the transaction. Approvers must check the Journal Voucher System daily for new additions. The approval hierarchy is as follows:

<b>Dollar Amount</b>	<b>Required Approver</b>
\$50,000 and less	Section Supervisor
\$50,001 - \$100,000	Branch Manager
\$100,001 - \$150,000	Assistant Director
\$150,001 and above	Director, Deputy Commissioner, Commissioner, Cabinet Secretary

### III. FORMS

[Form SP7.611061](#): Journal Voucher (21A216)