**Section 1260.240 Records**

a) Procedure

Every I SEARCH Unit shall maintain the following records:

1) Total receipts and expenditures of the I SEARCH Unit;

2) Disposition of all Department funds for the I SEARCH Unit;

3) Amount of money or in-kind match provided for the I SEARCH Unit by sources other than DSP;

4) Supporting and intermediate records and other records required by this Part for an audit.

5) Documentation of donations of cash, goods or services not included in the budget is to be maintained.

b) Bookkeeping

1) General Ledger – The ISEARCH Unit shall establish a general ledger with two categories, one for the grant and the other for matching funds. One sheet is used for the grant and the other for matching funds.

2) The General Ledger shall contain the following information:

A) Date of transaction;

B) Amount of grant or matching fund;

C) Cash Disbursement Journal Page Reference Number;

D) Amount of daily expenditures (payment or receipt);

E) Total expenditures;

F) Unexpended balance remaining in the account.

3) Cash Disbursement Journal – The ISEARCH Unit shall establish a Cash Disbursement Journal sheet to record all daily disbursements made from either the grant or matching funds.

4) The Cash Disbursement Journal shall contain the following information:

A) Date of expenditure;

B) Expenditure categories as outlined in the Grant Application Budget followed by an "M" if it is paid from the matching funds;

C) Brief description;

D) Amount spent;

E) Daily total.

5) In-Kind Match Journal shall contain the following information:

A) Personnal services – date, name of individual, hours, rate of pay, description of duties or assignment;

B) A cumulative total of in-kind services;

C) Operating line costs must be supported by entry into the journal with date, description, cost, and cumulative to date;

D) Supporting documentation for all in-kind match charged shall be maintained.

c) Supporting Documentation

1) Supporting records. Supporting records are the original or source documents which evidence expenditures made underlying the accounting transactions: daily time and payroll records of labor costs; purchase invoices for capital equipment, supplies, and services; computations which show the method used in allocating indirect costs; authorizations to perform or discontinue work (change orders and similar documents serve as supporting records).

2) Intermediate or secondary records. Intermediate records are: ledger cards; weekly or monthly cost summaries; cost analysis reports; letters of justification, or technical cost appraisals. These are not supporting records and cannot be used in place of the supporting records.

d) Maintenance of Records

Each ISEARCH Unit shall:

1) Maintain all supporting and intermediate records relating to programs undertaken as evidence of costs incurred;

2) Maintain the records for expenditures broken down by major expenditure category on a monthly basis;

3) Insure that records for each grant period are separately maintained and that the information required can be located readily, and protect the records adequately against fire or other damage. Such records are to be maintained in an orderly manner and must be available for audit purposes.

e) Retention of Records

1) All records of the ISEARCH Unit must be retained for a period of three years after completion of the grant. The retention period starts from the date of the submission of the final expenditure report or ending date of the fiscal year, whichever is later. Exceptions to the 3-year retention period include:

A) Records for non-expendable property acquired with project funds shall be retained for three years after final disposition of that property.

B) Records must be retained beyond the 3-year period if an audit is in progress, or if the findings of a completed audit have not been resolved satisfactorily. Such records shall be maintained until the audit in progress has been completed and any audit findings have been satisfied by correcting an unacceptable situation or by documenting that the situation was incorrectly identified as unacceptable.

C) DSP may request the transfer of certain records to its custody from local governments when it determines that the records are to be retained longer.

2) No record of the ISEARCH Unit may be destroyed or otherwise disposed of unless the ISEARCH Unit notifies the State Archivist and has received written approval, as required by the Local Records Act (Ill. Rev. Stat. 1985, ch. 116, par. 43.101 et seq.).