SECTION 12 – FINANCIAL RECORD RETENTION AND DOCUMENT MANAGEMENT

12.1 Purpose

This section establishes standards for retention, storage, and access to financial records in accordance with:

- 2 CFR §200.334 (Retention Requirements)
- 2 CFR §200.337 (Access to Records)
- State retention requirements

12.2 Retention Period

Financial records must be retained for:

- Minimum three (3) years from the date of submission of the final expenditure report.

If:

- Audit findings exist,
- Litigation is pending,
- Monitoring review is unresolved,

Records must be retained until resolution.

12.3 Records Covered

Financial records include:

- General ledger
- Draw documentation
- Bank reconciliations
- Payroll records
- Timesheets

- Procurement files
- Contracts
- Subrecipient invoices
- Match documentation
- Obligation spreadsheets
- Financial reports (SF-425, etc.)
- Equipment inventory
- Purchasing card documentation

12.4 Storage Requirements

Records must be:

- Maintained securely.
- Protected from unauthorized access.
- Backed up electronically.
- Accessible for monitoring.

Electronic records must:

- Be password protected.
- Have restricted access.
- Be backed up regularly.

12.5 Access to Records

Federal and state officials must be granted access to:

- All financial records.
- Subrecipient documentation.
- Procurement files.
- Supporting documentation.

Access must be provided in a timely manner.

12.6 Record Destruction

After retention period:

- Records may be destroyed securely.
- Destruction must be documented.
- Destruction must be approved by Executive Director.

12.7 Internal Control Statement

Proper record retention ensures:

Audit defensibility → Monitoring readiness → Fraud prevention → Compliance with 2 CFR §200.334.