

### What is “record retention?”

Federal grant recipients are required to retain all financial records, including supporting documents, statistical records, and all other records pertinent to the award for a period of **three years** from the date of submission of the final expenditure report (Federal Financial Report/SF-425).

The records must be available for examination and audit by federal agency representatives. The records may be retained in both paper and electronic format.

If any litigation, claim, or audit is started before the expiration of the three-year period, records must be retained until all litigation, claims, or audit findings involving the records have been resolved.

### Why is record retention required?

Federal representatives and pass-through entities must have access to any documents, papers, or other records of grant recipients which are pertinent to the award, in order to make audits, examinations, excerpts, and transcripts. This access is required for the entire time the records are required to be retained.

### What are financial and grant management “records?”

- ◆ In a manual accounting system, the books of original entry are records. These would be items such as the cash disbursements journal and the payroll journal.
- ◆ In a computerized accounting system, the transactions recorded in the central database are records.
- ◆ Canceled checks, invoices, and receipts are records.
- ◆ Records can be copies of all documents related to grants and cooperative agreements, such as the application, the award notice, financial and program narrative reports.
- ◆ Personnel and payroll records include items such as the time and attendance reports for all full-time and/or part-time individuals. It also includes time and effort reports for consultants.

### How long do property records need to be retained?

Records for equipment, nonexpendable personal property, and real property must be retained for a period of three years from the date of disposition, replacement, or transfer at the discretion of the grant-making component.

### How long are indirect cost proposals supposed to be retained?

- ◆ Indirect cost proposals submitted for negotiation must be retained for three years from the date of submission.
- ◆ Indirect cost proposals not required to be submitted for negotiation must also be maintained for three years from the end of the fiscal year covered by the proposal.

### How should retained records be stored?

- ◆ Protect the records adequately against fire or other damage.
- ◆ Store the records away from the recipient's principal office; however, a list of the documents must be available if needed.
- ◆ Whenever doable information should be collected, transmitted and stored in open and machine-readable formats rather than in closed formats or on paper.

### What else is important to know about record retention?

- ◆ When access to the information which could personally identify victims of a crime is determined to be necessary, appropriate steps to protect this sensitive information must be taken by both the federal and non-federal entities involved.
- ◆ When required for program income earned after the period of performance, the retention period starts from the end of the non-Federal entity's fiscal year in which the program income is earned.

### References

- ◆ [2 CFR §200.333](#) Advance payment.

### Resources

- ◆ [DOJ Grants Financial Guide](#)



The **OVC Tribal Financial Management Center (OVC TFMC)** provides **training, technical assistance, and resources** to support American Indian and Alaska Native communities as they successfully manage the financial aspects of their federal awards. OVC TFMC also offers support via our Virtual Support Center (VSC) to Office for Victims of Crime (OVC) grantees and those seeking federal funding from OVC for the first time. **Email questions or requests for grant financial management technical assistance to [TFMC@OVCTFMC.org](mailto:TFMC@OVCTFMC.org)** or call **703.462.6900**. Visit [OVCTFMC.org](http://OVCTFMC.org) for additional resources and information.

## Feedback Requested

OVC TFMC will continually work to provide resources to support grantees as they successfully manage their OVC financial awards. Your feedback assists us in creating these resources to meet your needs. To help us provide the most useful resources, we would appreciate your feedback on this guide sheet. Please send any comments or suggestions to [Evaluation@OVCTFMC.org](mailto:Evaluation@OVCTFMC.org).

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