

Financial Records Maintenance Procedures

03-002.00

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Department of Human Services Financial Records Maintenance Procedures Retention Requirements

Retention Procedures for financial documents (including documents for federal accounting/reporting purposes);

I. Files:

- A. Documents; Divisions/Offices within the Department of Human Services will maintain the following documents (including supporting documentation):

[Financial documents not identified below shall be filed and retained similar to these requirements, as reasonable and appropriate.]

1. Receivables, mainly Federal Grant billings, but may include other types of receivables
 2. Cash Receipts
 3. Payment Voucher process
 4. Budgets
 5. Internal Transactions, those initiated by the Department
 6. Employee/Travel Reimbursements, those processed by the Department
 7. Department Journal Vouchers
 8. Federal Financial Reports
- B. Retention: Divisions/Offices must keep applicable supporting information relating to each document in their files. Retention time period requirement for Department financial documents (including documents for federal accounting/reporting purposes) is **eight years following the end of the fiscal year, unless there is an audit, GRAMA request, or other reason requiring documents to be maintained longer.** Documents can be archived after four years.

The following are examples of items applicable to this retention requirement:

1. **Receivables:** Documents, reports, and supporting documentation used to bill, report, and monitor money drawn from federal grants and the disbursement to the divisions. Documentation includes report sent to the federal government concerning the distribution of the funds, quarterly cost allocation, deposit transmittals, cash status reports, and award letters.
2. **Cash Receipts:** Documentation should normally include receipts from the Department's receipting system or any other approved receipting system, cash receipt transaction cover sheets, bank-validated deposit slips, copies of bank statements, copies of bank reconciliation summary report and copies of depository bank account reconciliation, form FI 57, or any other reconciliation report used.
3. **Vendor Payment Vouchers:** Documentation should include the original invoice and other original information showing exactly what items were purchased, the unit cost of each item, what services were performed, and the dates the service was performed. Additional documentation that must be maintained with the Vendor Payment Vouchers is the documentation to support that proper purchasing requirements were followed such as quotation sheets and sole source authorization documents.
4. **Budget:** Documentation should include supporting information for budget accounting transactions and annual budget request, as considered necessary and appropriate.
5. **Internal Transactions:** Seller agencies must maintain the files and supporting documentation used to justify the billing of the internal transactions.
6. **Employee Reimbursement:** Documentation should include applicable support. Possible items: telephone bills, tuition receipt, report card, education contract agreement, in state travel advance, schedule of destination, overtime meal allowance record dates, employee moving expense worksheet, relocation bids, receipts, and letter of payback, registration receipt, commute fringe travel days and appropriate forms, in-state and out-of-state travel advance calculations and dates of travel, service awards, hotel bill, conference registration, airline passenger coupon, itinerary, parking receipt, receipts for individual incidental travel expenses, taxi charges, schedules of incidental transportation and parking charges, personal phone bill or lodging receipt showing charges for personal phone calls, properly approved request for out-of-State travel authorization form FI-5, copy of completed FI-48 or FI-51A.
7. **Department Journal Vouchers:** Documentation should include copies of worksheets sent to State Finance and supporting documentation and reports used to compile information such as check/warrant stale dated report, cancel report, void register for voids, void register for stop payments.

8. Federal Financial Reports: Financial reports for federal purposes (such as 269 & 272 reports) along with documentation supporting federal reports.

II. File Maintenance

- A. Responsibility: The Division/Office initiating financial transaction/document, or federal report is responsible for the safekeeping and confidentiality of these documents.
- B. Location: All original documents with supporting documentation must be filed in a controlled area maintained in the originating office (or other location agreed by Division/Office or Department as appropriate).
- C. Document Access: Only authorized staff may have access to filed documents. If financial documents must be pulled for purposes such as an audit, a copy of the first page of the original transaction documents should be filed in the originating office until the original documents are returned. The first page copy should contain at least the transaction ID, date, payee, and amount as applicable (the FI 50 form shows the required information). Additionally, a log or "replacement sheet" with information regarding purpose and date for who has the original documents should be used. Copies of original documents should be stamped "copy".
- D. Cancellation of Documents: Payment invoices and documents should be stamped "paid" or identified in such a manner (writing FINET document number, etc.) to prevent their reuse (see FINET policy for further guidance).
- E. Filing Strategy: GAX/PRC's should be filed in an alpha file by vendor chronologically or numerically. Other documents should be filed chronologically or numerically.
- F. Images: Division/Offices may scan and store financial and federal documents electronically. The Division/Office may discard (or shred as necessary) financial/federal documents that have been stored electronically only if the Division/Office can reliably assure that the electronic documents will be maintained for at least the time lengths required in this retention procedure, and if the Division/Office has ensured the data was adequately captured in the electronic format. Reasonable back-up procedures and security (for confidential information) are necessary components for Division/Office to ensure in order to store documents electronically and to discard hard copies.

For the State Finance retention schedule, go to www.archives.utah.gov