JHU Record Retention - FAR part 4.703 (Federal Contracts)

JHU’s sponsored activity record retention policy requires supporting documentation to be retained whether paper or electronically for a period of seven years from the submission of the final required reports.

To clarify FAR part 4.703, the FAR requires original paper documents for Federal contracts that have been imaged electronically to be kept for one year after imaging. The purpose is to permit periodic validation of the imaging systems. Once a year has passed since the creation of the electronic image, the paper document can be discarded. Departments may retain the original paper document that has been imaged longer, but not less than the mandated one year. It is still expected for departments to retain all original docs for the items listed in “Records Retained by Department” in JHU’s policy. Please see “FAR part 4.70” and “JHU Record Retention Policy” below.

Federal Contracts: Federal Acquisition Regulations - FAR part 4.703

(c) Nothing in this section shall be construed to preclude a contractor from duplicating or storing original records in electronic form unless they contain significant information not shown on the record copy. Original records need not be maintained or produced in an audit if the contractor or subcontractor provides photographic or electronic images of the original records and meets the following requirements:

(1) The contractor or subcontractor has established procedures to ensure that the imaging process preserves accurate images of the original records, including signatures and other written or graphic images, and that the imaging process is reliable and secure so as to maintain the integrity of the records.
(2) The contractor or subcontractor maintains an effective indexing system to permit timely and convenient access to the imaged records.
(3) The contractor or subcontractor retains the original records for a minimum of one year after imaging to permit periodic validation of the imaging systems.

JHU Record Retention Policy

Financial records (electronic and paper), supporting documents, statistical records and all other records pertinent to a sponsored award (or tax return) shall be retained for a period of seven years from the date of submission of all deliverables. Financial reports, patent reports, technical reports and equipment reports are examples of deliverables.

Departments need to be aware of any specific language in a contract that dictates the length of the record retention. If any litigation, claim, or audit is started before the expiration of the seven year period, the records shall be retained until all litigation, claims, or external audit findings involving the records have been resolved and final action taken.

Documentation on Service Center charges is maintained by the office that originates the charges. The Controller’s Office does not retain documentation on Procurement Card charges.

Records for real property and equipment acquired with Federal funds shall be retained by the Controller’s Office for seven years after final disposition of such property and equipment. The Controller’s Office will work with Research Administration offices to determine when final disposition occurred.

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JHU Record Retention - FAR part 4.703 (Federal Contracts) Cont’d

Correspondence and other documentation generated either internally between departments and the divisional research administration offices or externally between the awarding organizations and the University should be retained as part of the grant and contract files in compliance with these retention requirements. This includes documentation supporting journal vouchers, cost transfers, Effort reports, grant and contract awards and modifications to these awards.

Records Retained by the Controller’s Office

Documents maintained by the Controller’s Office include:
- Expenditure statements
- Validated deposit documents
- Journal vouchers
- Cost transfers, payroll and non-payroll
- Supporting documents for disbursements
- Effort reports
- Financial reports and invoices sent to Sponsors
- Scanned copies of documents that reside in SAP:
- Online payment requests for non-purchase order payments
- Recurring Payments

Records Retained by Departments

Departments must retain:
- Original proposals and budgets
- Copies of technical reports submitted to the sponsor
- Evidence of monthly review of expenditures on all accounts
- Original documentation (packing slips & receipts) supporting all Procurement Card and American Express Executive Card expenditures
- Evidence of goods receipt (packing slips/receipts) for all non-Procurement Card expenses
- Original documentation for travel expenses
- Original documentation for Service Center charges

Departments are encouraged to be proactive in retaining original documentation. Discussions are ongoing to refine our policy as electronic storage methods become more prevalent.