

4.703 Policy.

(a) Except as stated in 4.703(b), contractors *shall* make available records, which includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form, and other supporting evidence to satisfy contract negotiation, administration, and audit requirements of the *contracting* agencies and the Comptroller General for-

(1) 3 years after final payment; or

(2) For certain records the period specified in 4.705 through 4.705-3, whichever of these periods expires first.

(b) Contractors *shall* make available the foregoing records and supporting evidence for a longer period of time than is required in 4.703(a) if-

(1) A retention period longer than that cited in 4.703(a) is specified in any *contract clause*; or

(2) The contractor, for its own purposes, retains the foregoing records and supporting evidence for a longer period. Under this circumstance, the retention period *shall* be the period of the contractor's retention or 3 years after final payment, whichever period expires first.

(3) The contractor does not meet the original due date for submission of *final indirect cost rate* proposals specified in paragraph (d)(2) of the clause at 52.216-7, Allowable Cost and Payment. Under these circumstances, the retention periods in 4.705 *shall* be automatically extended one *day* for each *day* the proposal is not submitted after the original due date.

(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.

(d) If the information described in paragraph (a) of this section is maintained on a computer, contractors *shall* retain the computer data on a reliable medium for the time periods prescribed. Contractors *may* transfer computer data in machine readable form from one reliable computer medium to another. Contractors' computer data retention and transfer procedures *shall* maintain the integrity, reliability, and security of the original computer data. Contractors *shall* also retain an audit trail describing the data transfer. For the record retention time periods prescribed, contractors *shall* not destroy, discard, delete, or write over such computer data.

Parent topic: Subpart 4.7 - Contractor Records Retention