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Policy and Procedures for Accounting Records Retention

- I. **Introduction:** This policy establishes the Accounting Records Retention Policy and Procedures for the Little Traverse Bay Bands of Odawa Indians Tribal Government (LTBB) and Enterprises with Executive oversight. Sound policies and internal controls are necessary to:
 - A. Maintain accurate financial records, including tracking of expenditures, payables, receivables and capital assets and other items considered of value.
 - B. Protect the assets of LTBB by reducing the risk of exposure to fraud, loss, theft and misappropriation of funds.
 - C. Ensure LTBB puts forth a good faith effort to track historical fiscal activity.
 - D. Ensure adherence to Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB); regulations as outlined in the *Code of Federal Regulations, Title 2; Subtitle A Chapter 2 Part 200 OMB Uniform Guidance: Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR 200)*; the LTBB Administrative Procedures Statute and any other applicable Federal, Tribal or Granting Agency rules, regulations and procedures.

- II. **Definitions:**
 - A. Accounting Records: Financial records; supporting documentation such as requisition; budgets; allocations and all other records related to financial administration and recordkeeping.
 - B. Financial Records: Manual or computerized records of assets and liabilities, monetary transactions, journals, ledgers and supporting documents such as invoices, checks and receipts.
 - C. Government Records: Documents created through official processes and functions of the LTBB Governments that are not defined as Financial Records from ordinary accounting transactions.

- III. **Applicability:** This policy is applicable to all Branches, Divisions and Departments of the Little Traverse Bay Band of Odawa Indians Tribal Government and government-run Enterprises, referred to as LTBB in this document. This document summarizes the Accounting Records Retention Policy and Procedures for all records received by the LTBB Accounting Department.

- IV. **Consistency:** To maintain consistency in standards for effective controls and accountability as required in *2 CFR 200*, this Accounting Record Retention Policy and Procedures will apply for all records received, created or maintained by LTBB Accounting regardless of funding source.

- V. **Policy:**
- A. Official Government records that are not defined uniquely as Accounting or Financial records resulting from ordinary transactions will be submitted to the Department of Repatriation, Archives and Records per WOS 2012-002.
 - B. The Accounting Department is not required to retain photocopies or duplicates of records that are officially housed in other departments.
 - C. Records must be stored in a secure manner so as to prevent releasing confidential or personally identifiable information, and to mitigate loss of information from theft, negligence or natural disaster.
 - D. Accounting Records of the LTBB Government resulting from the course of ordinary financial transactions are retained as follows:
 - 1. Travel and Purchase Requisitions shall be retained for three years after an audit has been completed for the applicable year.
 - 2. Accounts Payable, Accounts Receivable, Contracts (including Contract Requisitions and related bids, quotes or other data), Bank Statements, Cleared Checks, Cash Disbursements, Cash Receipts and Journal Entries shall be retained for five years after an audit has been completed for the applicable year.
 - 3. Payroll records shall be kept for six years after an audit has been completed for the applicable year.
 - 4. Budgets, supplemental funding data and related budget modifications shall be kept for five years after an audit has been completed for the applicable year.
 - 5. Additional Requirements for Grants or Funding Agreements:
 - a. Financial records will be kept for a minimum of three years after a Grant, Funding Agreement or Cooperative Agreement has filed a final Federal Financial Report (FFR), or signed a Closeout Agreement with the agency and an audit including those records has been completed.
 - b. Equipment Records for items purchased with Special Revenue funds shall be retained for three years after final disposition of the items.
 - c. Cost Recovery information such as Indirect Cost Rate Proposals and Cost Allocation Plans shall be retained for five years after the end of the applicable year.
 - 6. Accounting Records that are neither Financial Records nor supporting documents to Financial Records shall be retained until an audit has been completed for the applicable year.
 - 7. Other ancillary informative documents that are not part of the official records or ledger shall be retained until an audit has been completed for the applicable year.
 - E. Accounting Records of LTBB Enterprises with Executive Oversight are retained as follows:
 - 1. Travel and Purchase Requisitions shall be retained for three years after an audit has been completed for the applicable year.
 - 2. Accounts Payable, Accounts Receivable, Contracts (including Contract Requisitions and related bids, quotes or other data), Banks Statements, Cleared Checks, Cash Disbursements, Cash Receipts and Journal Entries shall be retained for five years after an audit has been completed for the applicable year.
 - 3. Payroll records shall be kept for six years after an audit has been completed for the applicable year.

4. Other ancillary informative documents, such as credit card and void receipts, that are not part of the official summarized records or ledger shall be retained until an audit has been completed for the applicable year.

VI. **Procedures:**

A. Approval for Disposition:

1. Once a record has passed the retention period approval for disposition may be sought:
 - a. LTBB Government Records: the Controller should seek approval for disposition from the Chief Financial Officer
 - b. Records related to Grants or Funding Agreements: the Controller should seek approval for disposition from the Chief Financial Officer in conjunction with the Grants Compliance Officer.
 - c. Records of LTBB Enterprises with Executive Oversight: the Enterprise Bookkeeper should seek approval for disposition from the Chief Financial Officer.
2. Once approval is granted the records may be destroyed by Accounting Staff.

B. Disposition Requirements:

1. Records may not be disposed of in any manner that would release sensitive or confidential information.
2. Records shall be disposed of in a cost-effective and environmentally friendly manner.
3. Prior to disposal, electronic storage of said records is encouraged whenever feasible.

VII. **Conflicts of Interest:** When storing or disposing of records no employee may participate in the process if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, any member of his or her immediate family, his or her partner or an organization that employs any of the above has a financial or other interest, or could appear to receive a tangible personal benefit from the process. If a real or perceived conflict of interest is apparent that may impact a Federal grant, the employee must notify the Grants Office and the Grant Writer shall immediately notify the Federal funding agency that would be impacted by the conflict of interest and request written approval to proceed with the activity in question. Failure to adhere to this conflict of interest policy may result in disciplinary action per the employee handbook. Potential conflicts of interest shall be disclosed to funding agencies when required

VIII. **Internal Control Standards:** To comply with 2 CFR 200.303, Internal Controls, LTBB follows the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by COSO. This document lists five standards of Internal Control: Control Environment, Risk Assessment, Control Activities, Information and Communications, and Monitoring. To ensure compliance with the Risk Assessment Standard and the related continual changes in regulatory and operating conditions, the Chief Financial Officer will review this policy no less than annually and update as needed.