

COMMONWEALTH OF VIRGINIA  
VIRGINIA COMMUNITY COLLEGE SYSTEM

**WORKFORCE INVESTMENT ACT**

**VIRGINIA WORKFORCE LETTER (VWL) #11-03**

**TO:** LOCAL WORKFORCE INVESTMENT BOARDS  
**FROM:** WORKFORCE DEVELOPMENT SERVICES  
**SUBJECT:** RECORD RETENTION REQUIREMENTS  
**DATE:** AUGUST 25, 2011

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**Purpose:** The purpose of this letter is to define the policy and procedures for retention of records related to activities and services conducted with Workforce Investment Act (WIA) Title I funds awarded to local grant recipients, fiscal agents, local workforce investment boards (WIBs) and service providers.

**References:** U.S. Department of Labor Regulations (29 CFR Part 37)  
OMB Circular A-110  
OMB Circular A-102

**Policy**

**Statement:** Minimum record retention requirements are established as part of an effective internal and external control program to ensure that local workforce areas can provide the documents requested by any federal and state agencies within the statutes of limitations.

Grant recipients, fiscal agents, WIBs and WIA Title I service providers must maintain records for at least the minimum periods outlined below, but are encouraged to retain records for at least one-year longer than the minimum requirement.

**1. Complete and accurate record retention process summary**

- a. Records should be maintained in a suitable location based on the nature of the documents and filed in a manner supporting ease of access.
- b. Records should be maintained for at least the minimum required retention period (See Section 3 below), with an additional one-year period recommended by the State.
- c. Record maintenance, retention and access should be periodically reviewed to ensure security and that required policy and procedures are being followed.
- d. Following the record retention period, documents should be purged, stored or destroyed in an appropriate manner.

## 2. Record Retention Requirements

- a. Requirements for record maintenance, retention, and access to records pertain to all major areas including agenda and minutes of open meetings, contracts, participant records, fiscal management and documentation in accordance with OMB Circular A-110.
- b. Local areas are responsible for establishing and maintaining adequate accounting books, records and controls sufficient to accurately track and report all financial transactions related to work performed, and costs incurred relative to WIA Title I-funded activities.
- c. Local areas must keep and maintain original source documents as evidence of all work performed, and costs incurred. All records, data or information related to WIA Title I funds are to be retained separately and distinctively from the records pertaining to other operations of the applicable entity.
- d. Where records having one retention period cannot be separated from records having a longer retention period, both records should be retained for the longer period.

## 3. Retention Time Periods

- a. All financial, statistical, property, applicant and participant records, and all applicable supporting documentation will be retained for a period of at least three (3) years subsequent to the date of submission of final Grant expenditure report, close-out package, or the date all audits are complete and findings on all claims have been finally resolved, whichever occurs last. *For example, if a participant exits the program 3/15/11, the three year record retention clock starts on 7/1/2011 (not 3/15/11).*
- b. Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by the Federal awarding agency. The only exceptions are the following:
  - i. If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken;
  - ii. Records for real property and equipment acquired with Federal funds shall be retained for three years after final disposition;
- c. To the extent that they exist locally, documents and supporting records related to indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates) must be retained as follows:
  - (i) If submitted for negotiation. If the recipient submits to the Federal awarding agency or the subrecipient submits to the recipient the proposal, plan, or other computation to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts on the date of such submission.

(ii) If not submitted for negotiation. If the recipient is not required to submit to the Federal awarding agency or the subrecipient is not required to submit to the recipient the proposal, plan, or other computation for negotiation purposes, then the 3-year retention period for the proposal, plan, or other computation and its supporting records starts at the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

#### **4. Miscellaneous Provisions**

- a. Records should be kept detailing the documents that are maintained, the location(s) retained, and document purge dates.
- b. In the event that a local WIA Title I service provider becomes unable to retain the required WIA participant and financial records, or the award for service is terminated by a local workforce board, the records must be transferred to WIB's possession, or the possession of a new service provider as the WIB may direct. Such records must be transmitted within the time period stated by the WIB, and for acceptance in an orderly fashion with documents properly labeled and filed in an acceptable condition for storage.
- c. No service provider's records should be disposed of without the prior written approval of the WIB designated staff.
- d. During normal business hours and upon written request, records shall be made available and access shall be provided to any and all books and records pertaining to local workforce area performance of work and/or costs billed under arrangements for WIA Title I to the Commonwealth of Virginia, Federal Funding or Regulatory Agencies and/or their designees. Such right to audit will correspond with the above referenced record retention period for the service provider.
- e. In case of doubt, authorization for release or review of any public records generated fully or as part of a WIA Title I contracted service provider's agreement with the WIB should be directed to the WIB staff.

#### **5. WIA Applicant and Registrant Customer File Maintenance**

- a. Service providers must maintain hard copy customer files containing documents and forms in an appropriate storage space that ensures security and confidentiality.
- b. Access to customer file information should be restricted to authorized entities associated with the operation and performance of workforce programs.
- c. Any customer medical information should be recorded on separate forms and stored separately from main program files. To ensure confidentiality, access to these separate medical files should be limited to direct program managers.

#### **Required Action**

Local workforce areas are required to follow the provisions in this document at the grant recipient, fiscal agent and WIB levels; and provide this information to all local WIA Title I funded service providers, along with any applicable locally developed policies that might supplement these state-level requirements.