

Frequently Asked Questions (FAQs) about GRS 1.1, Financial Management and Reporting Records

Revised July 2017

INTRODUCTION

1. What is the purpose of GRS 1.1?

This schedule provides disposition authority for records created and received in the course of carrying out an agency's financial management and reporting responsibilities.

2. From whom may I request more information about this schedule?

You may contact NARA's General Records Schedules Team at GRS_Team@nara.gov with questions about this schedule.

CHANGES FROM THE OLD GRS

3. How does GRS 1.1 differ from the old GRS?

The biggest difference is the amalgamation of 34 items in old GRS 3, 4, 6, 7, and 9 into one item (010) covering financial transaction records (see details in the GRS 1.1 Crosswalk). This change occurred as a result of the new GRS aligning where feasible with the Federal Enterprise Architecture Lines-of-Business model. Under this model, the GRS groups records by the business processes that create them. The related business processes of paying bills and collecting debts—and accounting for both—are further consolidated by the fact that all share a single audit. Uniting these records under a single schedule item is also useful because most financial transactions are now conducted electronically and their documentation is born digital. Many large e-systems contain records covered by most or even all of the 34 old items superseded by new item 010.

Two new items cover records not before scheduled by the GRS: Records supporting compilation of agency financial statements and related audit, and all records of all other reports (item 020) and property, plant, equipment and other asset accounting (item 030).

4. Why did you intermingle travel and transportation records with financial management records in items 010 and 011 when they were in a separate schedule in the old GRS?

Several items in GRS 9, Travel and Transportation Records, covered records documenting movement of people (travel) and movement of goods (transportation). While the logistics of arranging for travel and transportation may be a distinct business process, at root many of these records document paying money in exchange for services and agencies retain them primarily to enable financial audit. That is why we have folded them into items 010 and 011, which cover a wide range of financial transaction records.

5. Why are you removing items that were in the old GRS?

The following old GRS items that most logically would have mapped to this schedule are rescinded:

GRS item	Series title	Explanation
GRS 3/3b	Routine Procurement— Obligation copy	This copy of a multi-copy form was to keep an obligation on the radar screen until funds were in fact obligated. Hard copies no longer exist in the e-system work-process pipeline.
GRS 3/15a	Contract Appeals Case Files created prior to October 1979	No longer needed because all such records should have been destroyed as of 1986.
GRS 3/16	Contractor’s Statement of Contingent or Other Fees	SF 119 is no longer in the GSA forms library. The Federal Acquisition Regulation (FAR) was amended (see FAR case 93-009, published in the <i>Federal Register</i> November 13, 1995) to state that these statements are no longer required.
GRS 6/2	GAO Exceptions Files	SF 1100 no longer exists.
GRS 6/6a1 GRS 6/6a2 GRS 6/6b	Federal Personnel Surety Bond Files	According to 31 USC 9302, surety bonds posted by the government concerning Federal personnel were discontinued by Public Law 97-258 in 1982.
GRS 6/9	Telegrams filed to support telegraph bills	These no longer exist.
GRS 8/7b1 GRS 8/7b2 GRS 8/7b3	Cost Report Data Files: Detail cards Cost Report Data Files: Summary cards Cost Report Data Files: Tabulations	These three items are unchanged since GRS 8 was first published in 1952. They refer to an ancient system of electronic tabulation via key-punch cards. The records are no longer created nor have they been for possibly three decades. No records are in FRCs.

QUESTIONS RELATED TO ITEM 010

6. Why is the retention of accountable officers’ records reduced from 6 years and 3 months to 6 years?

From the advent of the GRS in 1952 until 1977, general financial management records were retained for 6 years. The change in retention for some records to 6 years and 3 months was codified in 1977 by schedule job number NC1-064-77-5, apparently in response to 28 USC 2415. This law set the Government’s right to litigate on behalf of a recognized American Indian band or tribe to “six years and ninety days” while for all other purposes the Government’s right to litigate ceases after 6 years (28 USC 2401). Item 010 returns all financial transactions to 6-year retention *except* for those transactions concerning recognized American Indian bands or tribes, which are excluded from the GRS. Serious issues surround accounts concerning American Indian band/tribal finances. Litigation has put these records into frozen status unlikely to be altered any time soon. They will likely be ultimately scheduled for long-term temporary or even permanent retention. Their appraisal must be made on a case-by-case basis, which is outside the scope of the GRS.

7. My agency, seeking to get away from the awkward 6-year-3-month retention period, already scheduled accountable officers’ and similar financial records for 7-year retention. Which takes precedence: my agency’s 7-year retention or the GRS 6-year retention?

Your agency can choose whether to follow the GRS new 6-year retention or continue to retain records for 7 years in keeping with its agency-specific schedule. Retaining the records for 7 years might be necessary if your agency folded financial management records along with other administrative records into a single bucket item with 7-year retention. In such a case, it may not be possible to extract the financial management records from the bucket item without destroying the bucket.

8. If my agency chooses to continue using its own 7-year schedule item instead of the GRS, must it notify NARA?

It depends. The GRS permits business-purpose retention beyond 6 years. If your agency updates its manual to cite new GRS 1.1, item 010, as the authority for its 7-year retention, you do not need to notify NARA. If your agency has a previously approved deviation-from-the-GRS authority (such as a big bucket schedule item that merges financial management records with other series) and wishes to continue using that authority to mandate agency-wide 7-year retention, it must notify NARA of this fact. In part, this is because the agency will be retiring records to storage under its own authority citation rather than the GRS authority citation. Federal Records Centers receiving these records need to know what agency items are authoritative.

9. If I scan paper travel receipts into an e-system as voucher attachments, can I destroy the original paper?

Yes, as long as you meet the following three prerequisites. First, your agency must identify the e-system as the repository for vouchers available for audit by the Government Accountability Office (GAO). Your agency must retain the records in this e-system for 6 years, per GRS 1.1, item 010. Second, the scanned image must contain everything available in the original paper. GAO states, "There shouldn't be anything on the paper that isn't reflected in the electronic version."¹ Third, your agency must not be among those that require the traveler to hold onto the original records. If these three conditions are met, the original paper travel receipts may, after the scanned image is verified to contain all information in the original, be destroyed per GRS 5.2, item 020.

QUESTION RELATED TO ITEM 011

10. Why is item 010 followed by an item (011) for "all other copies" but none of the other items have a similar all-other-copies counterpart?

Records in item 010 are in many cases likely to have extra copies retained in other business units for a separate business purpose. For instance, a purchase order may exist in multiple copies not only where it is held for financial audit but also in accounts payable, shipping and receiving, and other offices. These are not non-record copies held for convenience, but records retained for specific and unique business purposes. Because the record copy is retained for audit, the other copies can be disposed of when their business use ceases. Copies of records covered by other items in this schedule are more likely to be held simply for convenience. They serve no unique business purpose, are therefore non-record by definition, and do not need to be scheduled.

QUESTIONS RELATED TO ITEM 012

¹ This statement was made by a GAO representative to NARA's GRS Team on January 24, 2017.

11. Does this item cover all unsolicited and all unaccepted bids?

No. This item covers only bids that are *both* unsolicited *and* unaccepted. These bids have a much shorter retention period than bids that are unsolicited but accepted or solicited but unaccepted. (Item 010 of this schedule addresses both these latter types of bids.) Any accepted bids have obvious business and legal value documenting a contract, and any solicited bids have further value if there are legal challenges to the contract award. Bids that agencies neither solicit nor accept do not fulfill continuing business purposes and agencies thus do not need to retain them for long.

12. Does this item's disposition mesh with the Federal Acquisition Regulation (FAR)?

The FAR Implementation Team, which drafted the update to the FAR published in the *Federal Register* on December 4, 2015, requested that we add this item. The FAR update contains directions to dispose of these materials "in accordance with agency procedures" (80 FR 75913). That instruction is consistent with this item's disposition to destroy "when no longer required for business use." So, yes, this item's disposition meshes with the FAR.

QUESTIONS RELATED TO ITEM 013

13. Why did you move data submitted to the Federal Procurement Data System (FPDS)—originally part of big-bucket item 010—to granular item 013?

These records were a standalone item in the old GRS but we merged them with many other old GRS items into the original publication of GRS 1.1, item 010. However, item 010 covers records relating to individual financial transactions; the records now being moved to item 013 do not concern such transactions. Instead, these records monitor equity and transparency in the Government procurement process. Agencies retain both items 010 and 013 for 6 years, but calculate the retention period for item 013 from record creation (submission to FPDS), and calculate the retention period for item 010 from record close (final action on a particular procurement or collection activity), potentially years after creation. For these reasons, we are returning data submitted to FPDS to a standalone schedule item.

14. Why does this item cover only an agency's copy of the data it submitted to FPDS, but not the master data held in FPDS itself?

The GRS covers records common to multiple agencies. FPDS is a system owned by the General Services Administration (GSA). Although multiple agencies own and submit the system's source data, once collected in FPDS the data is unique to GSA and GSA must schedule it. As a result, the GRS does not cover the data within the FPDS. GSA's FPDS master data is permanent under N1-137-96-1, item 1. For this reason, agency-retained copies of their own submitted data are temporary.

QUESTION RELATED TO ITEM 020

15. Item 020 is for background materials used to prepare an annual agency financial statement. Why isn't there an item for the agency financial statements themselves?

Agency financial statements have been required from all agencies since 1997 per the Government Management Reform Act (1994) section 405, now codified in 31 CFR 3515. Only a few agencies have scheduled these records, with wide disparity in retention periods. They are also sometimes scheduled

as part of a larger series of reporting records that include more than financial reporting. We were unable to determine a universally applicable value to these records by the time of publication of this schedule and did not wish to hold up the schedule while waiting to resolve the one issue. We may, however, be able to revisit this at a future time.

16. Does this item cover records of all audits?

This item covers records of an agency's audits of its annual financial statement—the assessment of its assets' market value. It does not cover records of other financial or non-financial audits.

QUESTION RELATED TO ITEM 030

17. Besides being included in item 030, purchase orders, contracts, and invoices also appear in item 010. How can I tell which item is the correct one for my records?

Purchase orders, contracts, and invoices appear in item 010 when they document financial transactions subject to audit to ensure that government spends its resources appropriately and within the confines of the law. *Some* of those purchase orders, contracts and invoices serve as a baseline to document agency investment in "property, plant and equipment" (PP&E) assets, and these are the subject of item 030.

Determining the value of PP&E assets involves knowing the original purchase price and the rate of amortization over the course of years. Many assets eventually wear out and are removed from inventory, while others (such as real estate and structures) may have a usable life of many decades or remain in government ownership to the end of the republic.

The same records may exist in both the financial management and the PP&E asset accounting offices. They are scheduled differently based on the business purpose the records serve in each office. Their retention is 6 years in item 010 to ensure their availability for financial audit. But their retention in item 030 may be for many decades. For this reason, it is advisable that duplicates of purchase orders, contracts, and invoices concerning PP&E assets be supplied to that office for inclusion in the files documenting those assets that are covered by item 030.

QUESTION RELATED TO ITEM 080

18. Does this item cover foreign claims received and adjudicated by the Department of State (DOS) or the Foreign Claims Settlement Commission (FCSC)?

No. DOS or FCSC are the only Federal agencies that adjudicate foreign claims. Records of those claims are mission records at those agencies and therefore not eligible for inclusion in the GRS, which addresses administrative records common across many or all Federal agencies. Both DOS and FCSC have scheduled these records themselves. Administrative claims may also occur at both DOS and FCSC. When they do, the records of their adjudications are indeed covered by GRS 1.1, item 080.