DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(FINANCIAL MANAGEMENT AND COMPTROLLER)
1000 NAVY PENTAGON
WASHINGTON, DC 20350-1000

JAN 29 2015

MEMORANDUM FOR DISTRIBUTION

Subj: REVISED DOCUMENT RETENTION REQUIREMENTS TO SUPPORT DEPARTMENT OF THE NAVY FINANCIAL STATEMENT AUDITS

Ref: (a) DASN (FO) memo dtd 15 Mar 12
(b) DASN (FO) memo dtd 5 Oct 11
(c) SECNAV M-5210.1 Jan 12
(d) NARA GRS Transmittal No. 23 Sept 14

1. This memorandum updates and clarifies the retention period requirement of references (a) and (b), which require the retention of all documentation that supports financial statement balances, until beginning balances on the Department of the Navy (DON) financial statements have been verified and accepted by financial statement auditors.

2. The DON records retention instruction resides within guidelines set forth in reference (c). However, in support of the DON financial statement audit, some records may require retention beyond the regular disposition timeframes. National Archives and Records Administration (NARA) General Records Schedule (GRS) Transmittal 23 reference (d), Section 1.1, "Financial Management and Reporting Records," supports the longer retention periods.

3. In accordance with the authority provided in NARA GRS Transmittal 23, retain all financial transaction records in support of the DON's financial statement audit, such as records related to procuring goods and services, paying bills, collecting debts, and accounting, for a period of 10 years. The following exceptions apply:

a. Retain all records in support of Property, Plant and Equipment (PP&E) and other asset accounting for two years after the asset is disposed of and/or removed from the DON's financial statements.

b. Retain all accounts payable records until after final payment is made. After that time, retain all accounts payable records for a period of ten years.

4. This memorandum is specific only to records needed in support of the DON's financial statement audit. Any records supporting financial statement audits also held for purposes other than a financial statement audit that require a longer retention period, continue to follow appropriate document retention guidance.

5. Examples of financial transaction records are included in GRS Transmittal 23, Section 1.1 (http://www.archives.gov/records-mgmt/grs.html). Listings of specific key supporting documents that have been identified during the FIAR Audit Readiness efforts are available in the Permanent File located on the Audit Response Center (ARC) website

(https://arc.portal.navy.mil/default.aspx). This is a CAC enabled website, to which access may be requested through the ARC Help Desk (https://arc.portal.navy.mil/support/SitePages/Home.aspx).

6. Your assistance in this effort and continued support is acknowledged and greatly appreciated and will move the DON closer to sustainable auditability. My points of contact are Mr. Kyle Fugate at (202) 685-6727 or kyle.fugate@navy.mil and Ms. Karen Metler at (202) 685-6738 or karen.metler@navy.mil.

Karen L. Fenstermacher

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