

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service

RUS BULLETIN 180-2

SUBJECT: Record Retention Recommendations for RUS Electric Borrowers

TO: RUS Electric Borrowers
Certified Public Accountants

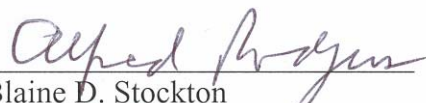
EFFECTIVE DATE: Date of Approval

OFFICE OF PRIMARY INTEREST: Program Accounting and Regulatory Analysis

INSTRUCTIONS: This bulletin replaces the REA Bulletin 180-2 dated June 6, 1972.

AVAILABILITY: This bulletin is available on the RUS web site at
<http://www.usda.gov/electric/bulletin.htm>

PURPOSE: This bulletin suggests policies and procedures for the effective preservation and efficient maintenance of financial records of RUS Electric borrowers.


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Date

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EXHIBITS

Exhibit A - FERC Regulation: 18 CFR Part 125 – Preservation of Records of Public Utilities and Licensees. *(Every effort has been made to ensure the accuracy of this document, however, in case of discrepancies, the printed version available from the Government Printing Office, is the authoritative source.)*

ABBREVIATIONS

INDEX:

ACCOUNTING

Policy on Audits

AUDITS

FERC - Federal Energy Regulatory Commission

RUS - Rural Utilities Service

DEFINITIONS

Public Utility or Licensee - RUS Borrower

Commission - Federal Energy Regulatory Commission

1 PURPOSE

This bulletin recommends policies and procedures for the effective preservation and efficient maintenance of financial records of Rural Utilities Service (RUS) Electric borrowers.

2 GENERAL

RUS endorses the guidelines as described by the Federal Energy Regulatory Commission's (FERC) "Regulations to Govern the Preservation of Records of Public Utilities and Licensees." The FERC guidelines can be found in 18 CFR Part 125 (Exhibit A). Records of RUS borrowers of a kind not listed in the FERC regulations should be governed by those applicable to the closest similar records. These suggested guidelines should not be construed as excusing compliance with any other lawful requirements for the preservation and maintenance of records.

3 RECORD STORAGE MEDIA

The media used to capture and store the data will play an important part of each RUS borrower. Each borrower has the flexibility to select its own storage media. The following are suggested guidelines:

- (a) The storage media have a life expectancy at least equal to the applicable retention period provided for in the master index of records, unless there is quality transfer from one media to another with no loss of data. Each transfer of data from one media to another should be verified for accuracy and documented.
- (b) It is suggested that each borrower implement internal control procedures that assure the reliability of, and ready access to, data stored on machine-readable media. It is advisable that a borrower's internal control procedures be documented by a responsible supervisory official.
- (c) It is recommended that records be indexed and retained in such a manner that they are easily accessible.

- (d) It would be helpful if the borrower have the hardware and software available to locate, identify, and reproduce the records in readable form without loss of clarity.
- (e) At the expiration of the retention period, the borrower may use any appropriate method to destroy records.
- (f) When any records are lost or destroyed before the expiration of the retention period set forth in the mater index, it is recommended that a certified statement be added to the master index listing, as far as may be determined, the records lost or destroyed and describing the circumstances of the premature loss or destruction.

4 RECOMMENDED PRACTICES

- (a) Financial requirement and expenditure statements, which are not specifically covered by FERC regulations are recommended to be kept for one year after the “as of date” of RUS’s loan fund and accounting review.
- (b) Consumer accounts’ records should be kept for those years for which patronage capital has not been allocated.