

SUBCONTRACTOR FINANCIAL RECORD RETENTION POLICY AGREEMENT

This Agreement is entered into and made effective as of _____, by and between:

Contractor: _____

Subcontractor: _____

1. PURPOSE

The purpose of this Agreement is to establish the policies and guidelines for the retention, maintenance, and disposal of financial records by the Subcontractor in connection with the services provided under the primary subcontracting agreement executed between the parties.

2. RETENTION PERIOD

The Subcontractor shall retain all financial records, transaction documents, receipts, invoices, ledger entries, payroll records, and tax filings related to the performance of work under the subcontract for a minimum period of _____ years following the completion of the project, or for the minimum duration required by applicable local, state, or federal laws, whichever is longer.

3. TYPES OF RECORDS TO BE RETAINED

Financial records subject to this policy include, but are not limited to:

1. Invoices, billing statements, and payment receipts.
2. Time tracking Sheets, payroll registers, and subcontractor payment records.
3. Proof of purchases, expense reports, and equipment rental receipts.
4. Tax documents, 1099 filings, and related financial correspondence.
5. Bank statements and transaction histories associated with the project funds.

4. STORAGE AND SECURITY

The Subcontractor agrees to store all financial records in a secure physical or electronic location that prevents unauthorized access, modification, destruction, or disclosure. Electronic storage must be backed up securely on a regular basis.

5. AUDIT AND INSPECTION RIGHTS

During the retention period, the Contractor, its designated representatives, or authorized regulatory agencies shall have the right, upon reasonable written notice of _____ days, to inspect, audit, and copy any financial records maintained by the Subcontractor regarding the subcontracted works.

6. DISPOSAL OF RECORDS

Upon the expiration of the retention period, the Subcontractor shall securely destroy and dispose of all personal and confidential financial records using methods such as shredding for physical documents and secure deletion/overwriting for digital files, to ensure no sensitive financial information is retrievable.

7. COMPLIANCE AND LIABILITY

Failure to maintain and retain financial records in accordance with this Agreement shall constitute a material breach of contract. The Subcontractor shall indemnify and hold the Contractor harmless from any claims, penalties, or damages resulting from the Subcontractor's failure to comply with this policy.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

CONTRACTOR:

SUBCONTRACTOR:

Authorized Signature

Authorized Signature

Printed Name

Printed Name

Title

Title

Date

Date