

SUBCONTRACTOR FINANCIAL RECORDS MAINTENANCE AGREEMENT

This Subcontractor Financial Records Maintenance Agreement (the "Agreement") is entered into as of _____, 20_____, by and between:

Contractor: _____

With a principal place of business at: _____

and

Subcontractor: _____

With a principal place of business at: _____

1. Purpose

The purpose of this Agreement is to establish the standards, requirements, and responsibilities of the Subcontractor regarding the maintenance, retention, and inspection of financial records related to the services performed under the primary subcontract agreement dated _____, 20_____.

2. Financial Record Keeping Obligations

The Subcontractor agrees to maintain accurate, complete, and detailed financial records concerning all work, services, materials, and transactions related to the project. These records shall include, but are not limited to:

1. Itemized invoices, receipts, and proof of payments for materials and equipment purchased.
2. Payroll records, timesheets, and tax withholding documentation for all personnel employed or contracted by the Subcontractor.
3. Sub-subcontractor agreements, invoices, and payment disbursements.
4. Expense reports, travel documentation, and ledger entries directly associated with the performance of services.
5. Any other financial documents relevant to verifying costs, billing, and compliance with the primary contract.

3. Accounting Standards

All financial records must be maintained in accordance with Generally Accepted Accounting Principles (GAAP) or other standard accounting practices acceptable to the Contractor. All entries must be clear, legible, and chronologically organized.

4. Record Retention Period

The Subcontractor shall retain all financial records associated with the project for a minimum period of _____ years following the date of final payment under the primary subcontract agreement, or for any longer period required by applicable law or regulation.

5. Audit and Inspection Rights

The Contractor, its authorized representatives, or any applicable regulatory body shall have the right, upon

reasonable prior notice of _____ business days, to inspect, audit, and copy all financial records maintained by the Subcontractor pursuant to this Agreement. The Subcontractor shall provide reasonable cooperation and access to facilities, systems, and personnel necessary to facilitate such audits.

6. Confidentiality

All financial records and information disclosed during audits shall be treated as confidential and shall not be disclosed to any third party without prior written consent, except as required by law, regulation, or legal process.

7. Non-Compliance and Remedies

Failure by the Subcontractor to maintain, retain, or provide access to financial records as required by this Agreement shall constitute a material breach. In such event, the Contractor reserves the right to withhold pending payments, seek reimbursement for unsupported costs, or terminate the primary subcontract agreement for cause.

8. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the State of _____, without regard to its conflict of law principles.

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

CONTRACTOR:

Authorized Signature

Printed Name

Title

Date

SUBCONTRACTOR:

Authorized Signature

Printed Name

Title

Date