

(b) At each office where records are kept or stored the borrower shall arrange, file, and index the records currently at that site so that they may be readily identified and made available to representatives of Rural Development.

**§ 1767.70 Record storage media.**

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

(a) The storage media shall have a life expectancy at least equal to the applicable retention period provided for in the master index of records, unless there is a quality transfer from one media to another with no loss of data. Each transfer of data from one media to another shall be verified for accuracy and documented.

(b) Each borrower shall implement internal control procedures that assure the reliability of, and ready access to, data stored on machine-readable media. The borrower's internal control procedures shall be documented by a responsible supervisory official.

(c) Records shall be indexed and retained in such a manner that they are easily accessible.

(d) The borrower shall 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 master index, a certified statement shall 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.

**§ 1767.71 Periods of retention.**

(a) Records of Rural Development borrowers of a kind not listed in the FERC regulations should be governed by those applicable to the closest similar records. Financial requirement and expenditure statements, which are not specifically covered by FERC regula-

tions, are recommended to be kept for one year after the "as of date" of Rural Development's loan fund and accounting review.

(b) Consumer accounts' records should be kept for those years for which patronage capital has not been allocated.

(c) Records supporting construction financed by Rural Development shall be retained until audited and approved by Rural Development.

(d) Records related to plant in service must be retained until the facilities are permanently removed from utility service, all removal and restoration activities are completed, and all costs are retired from the accounting records unless accounting adjustments resulting from reclassification and original costs studies have been approved by Rural Development or other regulatory body having jurisdiction.

(e) Life and mortality study data for depreciation purposes must be retained for 25 years or for 10 years after plant is retired, whichever is longer.

**§§ 1767.72–1767.85 [Reserved]**

**PART 1770—ACCOUNTING REQUIREMENTS FOR RUS TELECOMMUNICATIONS BORROWERS**

**Subpart A—Preservation of Records**

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- 1770.1 General.
- 1770.2 Designation of a supervisory official.
- 1770.3 Index of records.
- 1770.4 Record storage media.
- 1770.5 Periods of retention.
- 1770.6–1770.9 [Reserved]

**Subpart B—Uniform System of Accounts**

- 1770.10 General.
- 1770.11 Accounting system requirements.
- 1770.12 Supplementary accounts.
- 1770.13 Accounting requirements.
- 1770.14 Continuing property records.
- 1770.15 Supplementary accounts required of all borrowers.
- 1770.16 Supplementary accounts required of nonprofit organizations.
- 1770.17 Expense matrix.
- 1770.18–1770.24 [Reserved]
- 1770.25 Unusual items and contingent liabilities.