



## Retention of College Financial Records

Responsible Office: Finance Office  
Responsible Administrator: Vice President for Finance and Administration  
Effective Date: 06/30/2009  
Last Revision: 06/30/2009

Policy Sections:

### Scope

This policy provides guidelines for retention of official College financial records, Human Resources records (non-academic), facilities, risk management, grants, and contracts. It applies to all College departments and offices and all College employees who create, receive, or maintain such records in the course of College business.

This policy does not address the retention of student, academic, admission, alumni, or corporate records, or any other area of operations outside the College's financial administration. Consult the appropriate College office for further information about these areas.

### Reason for the Policy

This policy seeks to:

- Promote compliance with federal, state, and other legal requirements for record retention;
- Promote the efficient management, sharing, and transfer of information among authorized College staff within prescribed security standards;
- Effectively utilize limited office space for active records and utilize low-cost, remote storage space for inactive records;
- Dispose of records no longer needed to satisfy legal, regulatory, or other requirements;
- Ensure that no record is disposed of unless authorized;
- Ensure that the means of destruction is appropriate for the type of record under consideration;
- Ensure the preservation of records of permanent value; and
- Ensure that record retention policies, schedules, and procedures are reviewed and modified as necessary to respond to changes in technology or regulations.

## **Policy Statement**

The Vice President for Finance and Administration is responsible for setting the standards for retention and management of College financial records in collaboration with Directors within the Department. Such records must be retained for a period of time necessary to meet the operational, administrative, and legal requirements of the College and must then be destroyed according to established destruction schedules. The Record Retention Committee (see list of Committee members at the end of this Policy) manages the Records Program. An official retention and disposition schedule has been created. (See Table of Records Schedule attached.)

Most financial and transactional records are non-archival. However, the College Librarian may determine that certain categories of financial records are of permanent value to the College and will arrange for appropriate storage of such records beyond their active period.

Financial records may be retained for a minimum of **seven (7) years** from the fiscal year of creation unless the retention schedule specifically states otherwise, as is the case with records related to grants and contracts. It may be necessary to retain certain non-archival records for a period longer than **seven (7) years** if they are required to support an audit, litigation, or other matter.

Those who give final approval to financial transactions must identify, safeguard, and retain the official or "record" copies of documents supporting those transactions. Therefore, department administrators who have been delegated approval authority for certain kinds of transactions are responsible for the original records related to those transactions. Duplicate records must be eliminated to the extent possible.

College records must be maintained in a manner that supports operational needs and internal control directives and must also meet federal, state, and regulatory requirements. Document retention standards and systems must ensure that transactions and related authorizations are fully supported in the event of an audit, litigation, or other external action.

Departments must follow guidelines and standards issued by the College Librarian and the Vice President for Finance and Administration in support of this policy.

## **Definitions**

### **Active records**

Records needed to support the current business activity of a department, division, business support center, or institutional business office.

### **Inactive records**

Records for which the active period has passed, and which are being held for the remainder of the specified retention period.

### **Permanent (archival) records**

Records that have long-term or permanent value to the College, such as endowment indentures, College Bylaws, deeds, continuing agreements with external parties, and such similar documents.

### **Records custodian**

An individual assigned by a records manager to formally retain paper documents pursuant to established standards and systems.

### **Records manager**

An individual appointed by the responsible official to oversee the administration of records management systems (both paper and electronic) for an established business process.

### **Records retention and disposition schedule**

An internal control document that indicates how records should be handled after the period of their active administrative use.

### **Responsible official**

A senior member of management who serves as the owner of institutional and divisional business processes and, as such, is responsible for ensuring effective implementation of this policy in his/her assigned area of responsibility.

### **Retention period**

The minimum required length of time for which a department or central administrative office is responsible for the maintenance of records.

## **Policy Sections**

### **Administrative Responsibility**

The Vice President for Finance and Administration in accordance with the Index of the Records Schedule is responsible for developing document retention policies and standards for financial records and for monitoring compliance with this policy and overseeing the quality, consistency, and effectiveness of the College's financial records management systems. The Vice President for Finance and Administration shall perform such functions in consultation with members of the College's Record Retention Committee<sup>1</sup> and may convene meetings of the Committee as appropriate.

The Vice President for Finance and Administration, in consultation with the Record Retention Committee shall:

1. Review recommended records retention schedules;
2. Establish appropriate filing standards for financial records;
3. Monitor disposition methods and practices;
4. Evaluate cost-effective short- and long-term storage options (including electronic media); and
5. Perform other records management oversight functions as required.

For each of the College's major business processes, a **responsible official**, typically a senior member of management, serves as the institutional owner of the business process and monitors the effective implementation of this policy in the related areas of responsibility. Listed in the

attached Table of Records Schedule are the responsible officials for major College business processes.

**Records managers**, who are appointed by each responsible official, directly supervise the develop of specific record retention schedules for their respective areas. Working with the Vice President for Finance and Administration, the records manager also supervises the implementation and quality assurance of records management systems and procedures for paper and electronic records stored in department business offices, divisional and institutional business offices, and business support center.

The records manager in turn appoints one or more **records custodians** who are responsible for retaining record copies of documents according to established standards and systems. Records custodians may reside in institutional business offices, business support centers or department business offices, depending upon the level of distributed authority granted for specific types of transactions.

**Note:** In the event that original or “record” copies of documents are maintained in department business offices, the department administrator or business manager must serve as the records custodian for those documents. The responsible individual must be able to locate paper documents required for quality assurance assessments, audits and other internal and external reviews at the request of the Vice President for Finance and Administration or other authorized individuals.

### **Ownership of Institutional Records**

College financial records are the property of the College and do not belong to those who prepare such records or to their official custodian. No employee has any personal or property right to financial records of the College, including those records that the employee helped develop or compile, and no employee may remove or copy such records for personal use.

### **Retention periods, Storage, and Disposition**

#### **Retention Periods**

Financial record schedules are primarily calendar-driven; that is, the retention period begins on the last day of the fiscal year that the records were created.

The retention period for College tax documents generally begins on the filing date for that period. However, the retention period for tax returns, as well as for records which support tax filings, will not begin until either the due date of the filing or the actual date filed, whichever is later.

#### **Record Retention Categories**

Records fall into one of the three record retention categories:

1. Archival records (permanent).
2. Non-permanent records requiring retention for legal or audit purposes; and
3. Routine administrative reports (that do not fall within the Table of Records Schedule).

The College maintains functional retention and disposition schedules, grouping together records that represent the component activities of processes. Whenever a document or group of documents has a retention schedule that differs from the seven-year norm, it is noted on the schedule. (Refer to Table of Records Schedule.)

Active records are those needed to support the current business activity of a department, division, business support center, or institutional business office. Normally, the active period for financial records ends on the last day of the fiscal year following the fiscal year in which the records were created. For instance, a record created on November 20, 2000, ends its active period on June 30, 2002.

### **Storage Standards and Locations**

At the end of the active period, records must be labeled and stored for the balance of the retention period according to College guidelines and procedures.

The records custodian is responsible for appropriately labeling and arranging for suitable storage of inactive records. Arrangements for storage at designated facilities must be made through the Record Retention Committee. It may be acceptable to store inactive financial records at other official campus facilities or in the originating department, if suitable space is available that meets College standards.

Regardless of where inactive records are stored, the originating department is responsible for maintaining files or logs describing the contents of stored records, and for retrieving records upon official request. Consult record retention procedures for detailed guidelines.

### **Disposition of Records**

At the end of the appropriate retention period, inactive records, including transaction records, inactive agreements and other non-permanent and non-archival records, shall be destroyed according to the applicable schedule. The disposal process and methods should preserve the confidentiality of documents through the final point of disposition. Records containing personal and confidential information must be shredded or boxed and sent to the recycle center for disposal. The Record Retention Committee assists departments in arranging for confidential destruction of records. Non-confidential paper records may be put into recyclable containers.

If litigation is pending, threatened, or anticipated, records bearing on such litigation must not be destroyed except by permission of the College's Counsel. Similarly, documents under audit must not be destroyed. Counsel and officials notified of audit requirements will regularly update the Record Retention Committee with information about pending litigation or audits that require special attention. The retention period necessitated by audits or litigation.

### **Accessibility of Records**

Financial records must be easily retrievable for examination by authorized departmental and central administrators, auditors, and other authorized individuals. Records custodians must follow procedures for labeling and record-keeping to ensure that documents can be retrieved in a timely manner, and are responsible for retrieving records upon request.

Access to electronic records shall be subject to the College's policy governing information access and security (see, for example, Responsible Use of Union College Computing and Network Services, page 97 of the 2008-2009 Student Handbook). Records managers, in

consultation with ITS professionals, are responsible for ensuring that electronic records are not rendered unusable because of changing technology or deterioration. Records in formats endangered by technology changes must be mitigated to other formats in order to maintain accessibility.

### **Safeguarding Records**

The records custodian is responsible for ensuring that active and inactive financial records are stored in a secure location. The storage location must provide appropriate confidentiality and protection from unauthorized inspection, theft, and physical damage due to a fire, water, or natural disaster. The records custodian must use sound judgment in restricting access to financial records, giving consideration to the degree of confidentiality warranted for such records.

Most permanent (archival) records must be transferred to the College Archivist following their active period for proper care and storage. Permanent records not sent to the College Archivist must be maintained in a fireproof container and access must be limited to authorized personnel.

### **Records Related to Grants and Contracts**

Records related to grants and contracts must be retained for a period of **three (3) years** from the date of the submission of the final financial report to the funding agency, unless the terms of the award specifically state otherwise, or if there is a pending audit or litigation matter.

Retention periods for such records vary widely depending upon the sponsoring agency and individual contract terms. For example, when the College accepts a federal grant or contract it enters into a binding agreement that requires it to apply federal disposition schedules to records pertaining to such awards. However non-federal agencies may apply a different set of standards for record retention and in those cases it is best to refer to the agreement itself for retention requirements. In any case where the sponsoring agency's retention period is longer than that dictated by College policy, the longer period shall apply.

Departments and business support centers are strongly encouraged to consult College Relations to determine the appropriate retention period for records related to specified grants or contracts. Prior to destruction, department administrators must consult College Relations to ensure that the records are not related to pending audits or litigation.

### **Special Situations and Exceptions**

Exceptions to this policy must be approved by the Vice President for Finance and Administration.

### **Related Information**

Policy "Guiding Principles for Business and Financial Administration"  
Record Retention Committee website

## Contacts

Subject	Contact	Phone
Legal retention requirements or pending litigation	Counsel (Charles J. Assini, Jr., Esq.)	518-374-3399
Tax retention requirements	Director of Financial Reporting & Analysis (MaryBeth Kabalian)	518-388-6471
Retention periods and destruction approval for Grant and Contract records	Director of Government Grants (Jill Salvo)	518-338-6434
	Sr. Director of Financial Services (Judy Manchester)	518-388-6137
Retention periods and destruction approval for tax documents relating to students and employees	Sr. Director of Financial Services (Judy Manchester)	518-388-6137
Retention periods and destruction approval for Human Resource records (non-academic)	Director of Human Resources (Eric Noll)	518-388-6108
Interpretation of policy, destruction of records	Vice President for Finance and Administration (Diane Blake)	518-338-6104
Storage arrangements, disposal of records	Record Retention Committee	518-388-6103

## Roles and Responsibilities

### Vice President for Finance and Administration

Establishes policies and standards for retention of financial records, ensures compliance with this policy, and oversees the quality, consistency, and effectiveness of the College's financial records in consultation with the College's Record Retention Committee.

### Record Retention Committee

Provides guidance to the Vice President for Finance and Administration in ensuring compliance with this policy and in overseeing the quality, consistency, and effectiveness of the College's financial records management systems.

### Counsel

Provides guidance to the College community regarding the legal requirements for the retention and destruction of records, particularly in those areas where litigation is pending, threatened, or possible, and shall review proposals for electronic retention in place of originals.

### College Librarian

Sets standards for the College's Archival Policy.

### Records Custodian

Retains financial records according to College policies and procedures and for ensuring that such records are retrievable upon authorized request, as outlined in this policy.

## Records Manager

Implements this policy as it relates to his or her area(s) of responsibility in accordance with the duties outlined in this policy.

## Responsible Official

Monitors the effective implementation of this policy for the specific business process areas for which he or she is assigned ownership. The responsible official shall appoint one or more records managers to implement the record retention policy at the departmental level.

## Tax Department

Reviews retention schedules and notifies the Vice President for Finance and Administration of necessary changes based on regulations.

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### <sup>1</sup> Members of Record Retention Committee (May 2009)

Assistant to the President	Kathy Quinn
Chief Information Officer, ITS	Dave Cossey
Dean of Studies	Kristin Bidoshi
Director of Admissions Systems	Joyce Brace
Director of Campus Safety (Interim)	Chris Hayen
Librarian, College	Thomas McFadden
Librarian, Head of Special Collections	Ellen Fladger
Registrar	Penny Adey
Secretary, College Relations	Elizabeth Seber
Senior Director of Financial Services	Judy Manchester
Vice President for Academic Affairs & Dean of the Faculty	Therese McCarty
Vice President for Student Affairs & Dean of Students	Stephen Leavitt