

Middlebury

Record Retention Policy

This policy was approved by the Vice President for Finance and Treasurer in May 2009 and updated in May 2013.

Introduction

This policy is to establish record retention and disposition requirements for the Financial and Tax Records of the Controller's Office. Accordingly, this Record Retention Schedule (RRS) provides guidelines for complying with legal, fiscal, and archival requirements for financial and tax records and duplicates. This RRS schedule indicates the minimum length of time the Controller's Office must retain their records before they may be disposed of legally. The RRS schedule also helps ensure that records and information are being managed according to their value to the college and their legal retention requirements. Annually records will be disposed of in accordance with this policy.

I. Purpose: The purpose of this policy is to ensure that necessary records, documents and information are adequately protected and maintained and to ensure that records that are no longer needed or of no value to the college are discarded properly and at the appropriate time.

CAUTION- If any litigation, claim, negotiation, audit, open records request, administrative review, or other action involving a record has been initiated *before* the expiration of the retention period the record must be retained until the completion of the action and the resolution of all issues that arise from it, or until the expiration of the retention period, whichever is later.

II. Retaining Records: The Controller's Office will follow the record retention schedule and disposition directions for applicable records. However, records may be delayed from destruction if they are useful on an ongoing basis as a business resource. Some records will have an archival value. Records of archival value will be maintained permanently in a safe and secure area.

III. Confidentiality of Records: Some records may contain confidential or restricted access, such as social security numbers or specific donor information. These records will be handled with additional security. If in doubt abide by the requirements set forth within relevant federal and state laws and/or regulations.

IV. Responsibility: Each department supervisor in the Controller's Office with the support of the Assistant of the VP for Administration and CFO will be responsible for disposing of their records. The departments may dispose of records by the following

means, **preferably by recycling**. However, confidential records must be completely destroyed under appropriate supervision.

The following information is provided to assist departments in selecting a disposal method:

METHOD 1: Recycling. All confidential documents in the department should be stored in a secure area until a sufficient amount warrants disposal; the department should contact Facilities Management Recycling Division for a pickup of the confidential material. The department must also accompany the documents until all material is destroyed.

METHOD 2: Shredding. All confidential documents in a department should be stored in a secure area until a sufficient amount warrants destruction by a shredder. Once the documents have been shredded, the department should contact Facilities Management Recycling Division for a pickup of the shredded material.

METHOD 3: Non-confidential documents only. Departmental non-confidential documents may be stored until a sufficient amount warrants disposal; the department should contact Facilities Management Recycling Division for a pickup of the non-confidential material.

V. Definitions:

Official Record: The official record is the original document that is most likely to be used for audit purposes. This is the original record.

Duplicate or Working Duplicates: All duplicate, working, and convenience duplicates of official records are classified as non-records. Therefore, in the interest of efficiency, do not keep non-records longer than needed, and thereafter, destroy them as soon as possible because they needlessly consume storage space.

Retention Period: The retention period is the minimum length of time an office must keep particular records. This is usually expressed in terms of years, months, days and may be contingent upon an event date or specification date that triggers the “clock.” Most often, retention periods are triggered at: creation (CR), event (EVT), or fiscal (FIS) period.

Creation (CR): The retention period starts when a record is created or received.

Event (EVT): The retention period is triggered or tied to event dates; thus, retention begins when the specified event occurs. For example, if a record has retention of EVT+1 year and the event is defined as the life of an asset, then all records would be retained one year after the asset is sold, scrapped, or otherwise taken out of service.

Fiscal (FIS): This retention period is tied to the current fiscal year, and unlike CR and

EVT retention periods, FIS records are managed in blocks by fiscal year. For example, “FIS+4 years” indicates that records must be retained for the current fiscal year and four complete additional fiscal years.

Disposition: The final state in a record’s life cycle involves; destruction or transfer to a permanent file and/or location.

Transitory Documents: Includes items such as letters of transmittal; request for routine information; notices of meetings or events; are used only as a personal memory aid; personal correspondence or other documents not related to the business of the College. Transitory documents can be destroyed when no longer needed.

VI. Controller’s Office Financial and Tax Records Retention Schedule: The Controller’s Office Financial and Tax Record Retention Schedule applies to the need to balance the competing goals of maintaining records that adequately support fiscal and accounting transactions, while simultaneously managing the costs associated with maintaining these records. Therefore, the following schedules provide a vehicle for managing financial and tax records efficiently and consistently. Any duplicate records can be destroyed when no longer needed. Finally, in order to facilitate efficient records management this RRS schedule is provided in two formats: narrative form and table format with listed forms. (See attachment for table format).

a. Fiscal Administration Records

ADMINISTRATIVE POLICIES, PROCEDURES and MANUALS

Records include all written policies, procedures, and manuals related to documentation pertaining to fiscal matters.

Retention Time Period

Original: Date superseded + 3 years, thereafter destroy.

ROUTINE INTERNAL STATUS AND ACTIVITY REPORTS

Records include internal statistical and narrative reports on routine fiscal and accounting operations, including weekly, monthly, and quarterly reports for operations, management analysis, and planning.

Retention Time Period

Original: Date superseded + 3 years, thereafter destroy.

PAYROLL FORMS AND REPORTS

Reports and all supporting forms to include W-2s, distribution reports, cancelled and voided checks, and time cards.

Retention Time Period

Original: Calendar year of creation + 4 years, thereafter destroy.

YEAR-END TAX REPORTS

Reports and all supporting documentation to include tax-related reports (1098T listings/logs, 1099s, etc).

Retention Time Period

Original: Fiscal year of creation + 6 years, thereafter destroy.

ANNUAL AUDITED FINANCIAL STATEMENTS

This includes supporting documentation that will be retained permanently together with the Financial Statements.

Retention Time Period

Original: Retain permanently in office of origin.

NON-ROUTINE FINANCIAL REPORTS AND STUDIES

Records include reports and studies created for fiscal, accounting, and administrative reviews or analyses, including equity and escrow reports, fringe benefit studies, facility usage reports, cost comparison studies, and other special reports and studies.

Retention Time Period

Original: Fiscal year of creation + 4 years, thereafter destroy.

AUDIT DOCUMENTATION: REGULARLY- OCCURRING AUDIT CYCLES

This includes office responses, and findings. Regular audits include A-133.

Retention Time Period

Original: Retain permanently in office of origin.

RECONCILIATION WORK PAPERS

Records include intermediate fiscal records of receipts and disbursements used to reconcile accounts. These may include spreadsheets, proof sheets, abstracts of receipts, and disbursements or claims.

Retention Time Period

Original: Fiscal year of creation + 4 years, thereafter destroy.

AUTHORIZATION FOR ACCESS FORMS

Records include applications, authorizations, cardholder agreements, and related forms used to establish accounts. Authorizations may relate to SFS, purchasing cards, and college (travel) cards.

Retention Time Period

Original: Fiscal year in which account was inactivated + 4 years, thereafter destroy.

CREDIT CARD RECEIPTS AND/OR DEPOSITS

Records include credit card receipts and other documentation associated with credit card transactions. No credit card receipts or information will be stored. Refer to the College's "Policy for Accepting Credit Card and eCommerce Payments" for more information on credit card processing. Retention time period for supporting documents for deposits (other than credits card data) is as follows:

Retention Time Period

Original: Fiscal year in which transaction was created + 4 years, thereafter destroy

b. Internal Control Records

INTERNAL CONTROL POLICIES AND PROCEDURES

Records include policies and procedures governing internal control, and related documentation that explains internal control policies and procedures, including but not limited to: memos, bulletins, manuals and internal audit reports.

Retention Time Period

Original: Date superseded + 4 years, thereafter destroy.

INTERNAL MANAGEMENT REVIEW AND ROUTINE OVERSIGHT CONTROL FILES, REPORTS AND ACTION FILES

Records include all documentation relating to routine internal management review (internal audits or reviews) and oversight of operations.

Retention Time Period

Original: Date of completed audit report + 4 years, thereafter destroy.

c. Payments and Receipts from All Sources Except Capital Improvement Projects

EXPENDITURES: ACCOUNTS PAYABLE RECORDS

Records include all supporting documentation relating to the purchases of goods or services. These records may include, but are not limited to, vouchers (both regular and student vendors), invoices, travel expense reports and attached receipts, entertainment contracts, financial aid disbursements, and purchase orders.

Retention Time Period

Original: Fiscal year of creation + 6 years, thereafter destroy.

RECEIPTS: ACCOUNTS RECEIVABLE RECORDS

Records include all supporting documentation related to the receipt of funds, including but not limited to deposit forms, attached vouchers, invoices, lists of checks received, accounts receivable, and remittance forms. Also included are records relating to deposits, as well as invoices to 3rd parties, and financial aid return forms and documentation.

Retention Time Period

Original: Fiscal year of creation + 6 years, thereafter destroy.

d. Banking and Cash Management-Related Records

PAID /STOP PAYMENT/VOIDED/CANCELLED CHECK RECORDS

Records include requests for stop payments and related correspondence and reports. These requests include all documentation relating to unpaid items, such as requests for re-issuance of checks, as well as all reports, logs, follow-up letters and supplemental documentation for stale check follow-up, voids, and reissues. Also paper checks and voided checks resulting from printing errors.

Retention Time Period

Original: Fiscal year of creation + 6 years and thereafter, destroy.

BANK STATEMENTS: ALL ACCOUNTS

Records include all statements and supporting documentation for reconciliation. Also included are bank analysis reports and all documentation relating to signature authority for checks.

Retention Time Period

Original: Fiscal year of creation + 6 years, thereafter destroy.

GENERAL OBLIGATION BOND RECORDS

Records include all supporting documentation for principal and interest payments, including correspondence and reports.

Retention Time Period

Original: Date the bond matures or called + additional 25 years, thereafter destroy.

e. Investment Records

INVESTMENT WRITE UPS/STATEMENTS/AGREEMENTS/SUPPORT RECORDS

Records include write up and approval letters, monthly and quarterly statements, subscription documents, limited partnership agreements, investment management agreements, redemption and divestment notices, wire support records, and due diligence records.

Retention Time Period

Original: Divestment Date + 7 years, thereafter destroy.

f. Collection-Related Records

COLLECTION CASE FILES

Records include documentation of collection efforts: correspondence, reports, payment agreements, relevant reports to/from the agency and the amount of debt defaulted or written off as uncollectible. Also included is all correspondence to/from outside collection agencies. This applies to student and non-student related records. These records can include, but are not limited to, payment plans, deferments, student letters, e-mail correspondence, pre-collect processes, book vouchers, and temporary loans.

Retention Time Period

Original: Date account is due + 6 years, thereafter destroy.

g. General Ledger Transactions

JOURNAL ENTRIES

Records include all supporting documentation for journal uploads or entries into the Financial System Ledger. These may include, but are not limited to, internal transfers (chargebacks), payment transfers, revenue transfers, budget transfers, and budget entries for projects. Also included is documentation supporting the allocation of purchasing card expenditures, as well as supporting documentation for project budgets.

Retention Time Period

Original: Fiscal year of creation + 4 years, thereafter destroy.

h. Capital Improvement and Projects Accounting

CAPITAL ACCOUNTING PROJECTS: FEDERAL CONSTRUCTION FUNDS

Records include documentation of acquisitions, capital assets, depreciation schedules, fixed assets, material transfer files, mortgage ledgers, facility/plant ledgers, property detail reports, property inventory reports, and reports on property sold.

Retention Time Period

Original: Date of issuance + 30 years, thereafter destroy.

CAPITAL ACCOUNTING PROJECTS: NON-FEDERAL CONSTRUCTION FUNDS

Records include all documentation supporting construction fund projects, including acquisitions, capital assets, depreciation schedules, fixed assets, material transfer files, mortgage ledgers, facility/plant ledgers, property detail reports, property inventory reports, and reports on property sold.

Retention Time Period

Original: Retain permanently in office of origin.

CAPITAL ACCOUNTING PROJECT BUDGETS

Records include budget-related records (allotments) for construction fund projects.

Retention Time Period

Original: Fiscal year of creation + 6 years, thereafter destroy.

i. Capital Asset Inventory and Surplus Property Records

CAPITAL AND NON-CAPITAL EQUIPMENT INVENTORIES

Records include running inventories of capital equipment such as motor vehicles, audio-visual equipment, computers, printing and mailing equipment, production copiers, tools lab equipment, furniture, etc., which describes each piece of property, denote its location, and provide totals of each type of equipment owned by the college (fixed assets). Also included are the same types of inventories for non-capital equipment such as office supplies, computers, commodities, parts, and materials (non-fixed assets).

Retention Time Period

Original: Fiscal year of creation + 6 years, thereafter destroy.

PROPERTY DISPOSITION RECORDS

Records include documentation that identifies property and tracks its disposition. Included are requests for disposal of property, receipts, duplicates of reporting forms and supporting documentation that describes the property and the proposed method of disposition. Records may also include acquisition information and depreciation schedules.

Retention Time Period

Original: Date of disposition + 6 years, thereafter destroy.

j. Gift/Grant-Related Accounting Records

GRANT FOLDERS: FEDERAL AND NON-FEDERAL

Records include transmittals, awards, budgets, and all other documentation related to the procurement of federal grants. Also included are all reports, forms, and documentation related to PAR reports, as well as reports and supplemental information for verification of grants and contracts.

Retention Time Period

Original: Date of financial report or close of grant + 6 Years, thereafter destroy.

GIFT AND ENDOWMENT FOLDERS: GIFTS AND ENDOWMENTS

Records include transmittals, awards, budgets, gift receipts, donor and all other documentation related to the procurement of gifts and endowments.

Retention Time Period

Original: Retain permanently in office of origin.

ALLOCATIONS

Records include all documentation used to verify the fringe, indirect cost, and Facilities and Administration (F&A) allocation processes for grants.

Retention Time Period

Original: Fiscal year of grant's awarding + 6 years, thereafter destroy.

LINE OF CREDIT: DRAWDOWN INFORMATION

Records include all documentation used to determine draw amounts against federal grants' Letters of Credit (LOC).

Retention Time Period

Original: Date of submission of LOC draw request + 6 years, thereafter destroy.

FACILITIES AND ADMINISTRATION (F&A) COST RATE PROPOSALS

Records include rate proposals, cost allocation plans, and computations.

Retention Time Period

Original: Date of submission of proposal + 6 years, thereafter destroy.

Controller's Office
Records Retention Schedule
Effective: May 1, 2009; updated May 2013

Record Category	Retention Schedule	Transfer to Archives	Responsible Department
<u>Account Payable</u>			
A/P Vouchers	FY +6 years		Accounts Payable
Cancelled/voided checks	FY +6 years		Accounts Payable
<u>Administrative</u>			
Policies and Procedures	Superseded +3 yrs		*Various
Manuals	Superseded +3 yrs		*Various
<u>Banking</u>			
Bank recs and Statements	FY +6 years		Senior Accountant
<u>Cashiers Office</u>			
Daily cash receipts	FY +4 years		Cashier
Duplicate deposit slips	FY +4 years		Cashier
Credit card information	0 years		Cashier – see PCI policy
<u>Fixed Assets</u>			
New equipment invoices	Permanent	X	Accounting Manager
Reports for bldg/land addition	Permanent	X	Accounting Manager
Monthly depreciation schedules (equip & bldg)	Permanent	X	Accounting Manager
Construction in Process	FY +6 years		Accounting Manager
Fed Funded Capital Projects and Equipment	Issue Date+30 yrs		Accounting Manager
<u>General Accounting</u>			
Journal entries	FY +4 years		*Various
Monthly trial balance	FY +4 years		Controller
FYE trial balance	FY +4 years		Controller
Audited Financial Statements	Permanent	X	Controller
Financial Statement work papers	FY +6 years		*Various
Procurement card reviews	FY +4 years		PC Manager
Inventory reports	FY +4 years		*Various
Accounts Receivables	FY +6 years		Accounting Manager
<u>Grants</u>			
Grant files/Bonds	Close date +6 yrs		Accounting Manager

Federal cash transaction rpt.	FY +4 years		Accounting Manager
<u>Gifts and Endowments</u>			
Endowment files	Permanent	X	Controller
Restricted gifts	Permanent	X	Controller
Deferred gift files	Permanent	X	Controller
Deferred gift tax returns	Permanent	X	Controller
Annual giving gift receipts	Permanent	X	Controller
<u>Investments</u>			
Stock and Bond Certificates	Mature +25 yrs	X	Treasury Manager
Stock dividend checks, cancelled	FY +6 years		Treasury Manager
Stock transfer	Permanent	X	Treasury Manager
Write up and approval	Divestment +7 yrs		Treasury Manager
Subscription Documents	Divestment +7 yrs		Treasury Manager
Monthly Statements	Until Qtrly verify		Treasury Manager
Quarterly Reports	Divestment +7 yrs		Treasury Manager
Limited Partnership Agreements	Divestment +7 yrs		Treasury Manager
Investment Management Agreements	Divestment +7 yrs		Treasury Manager
Redemption/Divestment Notices	Divestment +7 yrs		Treasury Manager
Wire Support Records	Divestment +7 yrs		Treasury Manager
Due Diligence Research	FY +3 years		Treasury Manager
<u>Payroll</u>			
W-2 forms	CY +4 years		Payroll Manager
Payroll distribution reports	CY +4 years		Payroll Manager
Payroll tax register receipts	CY +4 years		Payroll Manager
Cancelled/voided checks	CY +4 years		Payroll Manager
Time cards	CY +4 years		Payroll Manager
<u>Tax</u>			
Form 990	FY +6 years		Controller
Form 990T	FY +6 years		Controller
Form 1098T	FY +6 years		Tax Manager
Form 1099	FY +6 years		Accounts Payable
Form 1042	FY +6 years		Tax Manager
All other tax forms	FY +6 years		*Various
<u>Other</u>			
A-133 workpapers	Permanent		Controller
Audited Financial Statements	FY +6 years		Controller

* Various departments may have these forms or items filed in their department.