



## Sample Record Retention Policy for CAA September 2012

***In drafting this SAMPLE policy, CAPLAW consulted OMB Circular A-110, and OMB Circular A-122 and applicable Massachusetts state regulations. This policy has not been approved by any outside authority, such as the Department of Health and Human Services. You should review this policy thoughtfully and modify it as necessary to meet the individual needs of your organization and to comply with any applicable state law requirements and grant terms and conditions. This policy is modeled after a policy originally drafted for a Massachusetts CAA and, as a result, may contain some information specific to Massachusetts laws. Thus, we strongly recommend that when working with this policy, you consult with an attorney from your state that is well versed in the laws affecting CAAs.***

### **1. Overview**

XYZ CAP retains records as required by law or grant/contract terms and conditions and destroys them when no longer required or needed. Some important documents are kept permanently. This policy generally applies to both paper and electronic records, but distinctions in practice between the two are noted where appropriate. Each project director is responsible for checking contract or grant requirements to ensure that record retention requirements are met. Each project director is also responsible for ensuring that procedures are in place to follow this policy, including training and regular monitoring. Once records are no longer needed, care must be taken to ensure that records containing confidential information are shredded or otherwise disposed of to ensure that the confidential information is not disclosed. Questions should be directed to \_\_\_\_\_.

### **2. Record Retention Period**

The required period for retention of records is listed below. Unless otherwise noted, you may retain the records for a longer period if necessary for the administration of the program and there is available storage space. Records may be kept in electronic or hard copy form, but if they are in electronic form, you should consult with the Information Technology department to ensure that the records will be accessible when needed. In addition, if records are kept only in electronic form, the funding source may require notification or prior approval.

### **3. Document Destruction and Litigation Holds**

Once the document retention period has expired and are no longer needed, the documents shall generally be destroyed and any confidential documents and/or those containing "Personal Information" shall be shredded. "Personal Information," is the first name and last name or first initial and last name of a person in combination with any one or more of the following data

elements that relate to the person: (a) Social Security number (“SSN”); (b) driver’s license number or state-issued identification card number; or (c) financial account number, or credit or debit card number.

*Some states have recently enacted laws regarding the protection of electronic and/or other records containing “Personal Information” as defined above. Check your state law and/or consult with your local attorney to determine if such requirements apply to your organization.*

However, if there is pending litigation, claims, audits, or investigations related to the grant, program, or record, the records may not be destroyed and must be retained until those matters are completed. In addition, in accordance with 18 U.S.C. 1519 and the Sarbanes Oxley Act, a document shall not be knowingly destroyed with the intent to obstruct or influence an “investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States ... or in relation to or contemplation of such matter or case.”

#### **4. Retention Operational Guidelines**

If records required to be retained are kept electronically, they must be kept in or moved to a shared network drive. If electronic records must be kept electronically, please consult with the Information Technology Department. When paper records are put in an offsite or onsite storage area, they must have a label indicating what they are, the department and person responsible for them with phone number, and a “destroy by” date.

#### **5. General Program Records**

- a. **State funds or state contracts** – \_\_\_\_ [Record retention period required by state law or grant/contract provisions for state grants or contracts, if any, plus one year]. Records required to be kept in connection with a program funded by, or pursuant to a contract with, the Commonwealth of Massachusetts, including client records and other records supporting ABCD’s compliance with contract terms and conditions and costs charged to the contract (including, for example, attendance records) shall be kept for a period of eight years after termination of the contract. Not all client records need to be kept, but retained records should include documentation of a client’s program eligibility and nature of service provided.
  
- b. **Federal funds, no state contracts – 4 years generally, permanently for close-out records and monitoring reports.** If a program receives federal grant funds then the record retention period is four years after termination of the federal grant, except that grant close-out records, including but not limited to monitoring or audit reports and corrective action plans and reports, if any.

*The federal record retention period is three years after the date of submission of the final expenditure report, and that period is extended for*

*audits, claims, or litigation pending at the time the three-year period expires, Since it may be difficult for project directors to keep track of exactly when that three year period ends, four years from the termination of the grant is used for ease of implementation.*

- c. **No state or federal funds, grants or contracts – Longer of 4 years or required record retention period.** If no state or federal funding, grants, or contracts are involved, the record retention period is the longer of four years after completion of the program or the record retention period required by the funding source, if any.
- d. **Contracts with consultants, businesses, and other private parties – Number of years of statute of limitations in your state for contract claims, plus one) years after expiration.** Notwithstanding the record retention periods stated in this paragraph 5, contracts between XYZ CAP and a private party (not the government), and records in connection with them, shall be kept for a period of seven years after termination of the contract.
- e. **Additional specific program record retention requirements.** Some programs may have additional specific record retention requirements. To the extent such requirements exist, information relating to them will be included in Addenda to this policy.

## 6. Financial/Accounting Records

<b>(Documents retained in Finance Dept. unless noted otherwise)</b>	<b>Retention Period (Years or Permanently (P))</b>
Accounting Policies and Procedures	7
Accounts payable ledgers and schedules	7
Accounts receivable ledgers and schedules	7
Audit reports	P
Bank deposit slips	3
Bank reconciliations	3
Bank Statements	7
Budgets	4
Chart of Accounts	P
Check disbursement requests	7
Correspondence, general or routine	2
Cost allocation records	4
Depreciation Schedules	P
Donations to XYZ CAP	7
Form 990 and Mass. Form PC	P
Financial statements – Year end (including grant-specific revenue and expenses, balance sheets):	P
Garnishments	5

	<b>Retention Period (Years or Permanently (P))</b>
General ledgers/year end trial balance	7
Grants/Contracts from funding sources	7
Invoices (to customers, from vendors) and related records	7
Journals/Ledgers (electronic)	7
Notes receivable ledgers and schedules	7
Payroll records and summaries, including leave records	7
Time sheets/cards	7
Travel Advance and Reimbursement Records	7
Withholding tax statements (W-2)	7

## **7. XYZ CAP Corporate Records**

The following records shall be kept permanently:

Annual Reports filed with Secretary of State for ABC State.  
 Articles of Incorporation and Amendments thereto  
 By-laws and amendments thereto  
 Minutes of meetings of Board of Directors and committees  
 Letter of Tax-exempt Determination from IRS  
 Tax-exemption certificates and other documentation from state(s)

## **8. Legal Records**

Contracts, mortgages, notes and leases	7 after doc expiration
Claims and Litigation	10 after resolution
Trademark registrations and copyrights	P
Correspondence	
Of historical or legal importance	P
General	4
Routine	1
Immaterial (i.e. invitations to events, etc.)	Retain only as necessary

## **9. Insurance Records**

Insurance policies (expired)	20
Insurance records (claims, etc.)	10

## **10. Procurement Records (Purchasing Department)**

Purchase orders, Purchasing Department copies	7
Purchase Requisitions, Purchasing Department copies	7

	<b>Retention Period (Years or Permanently (P))</b>
Receiving Copy of Purchase Order, Purchasing Department copies	7
Bids/Vendor selection records, Purchasing Department copies	7
Copies of purchasing documents held by departments other than the Purchasing Department, the originals of which are held by the Purchasing Department	1

### **11. Property Records (Property Department)**

Deeds, mortgages and bills of sales (including funding source)	P
Depreciation Schedules	P
Inventories	8
Property appraisals	P
Leases	7 after expiration
Routine repair/maintenance orders and records	7
Records of significant repairs	P

### **12. Human Resources Records (Documents retained in HR Dept. unless noted otherwise)**

Applications (not hired)	1
Job Descriptions	7
Benefits Records	7
Criminal Background Check Records for hired employees:	7
Not hired	1
I-9s	3 after termination
Pension Records	P
Personnel File – After termination	7
Personnel File – Current Employees	P
<ul style="list-style-type: none"> <li>• I-9</li> <li>• Application</li> <li>• Resume</li> <li>• Job Description</li> <li>• Payroll Authorization</li> <li>• Hiring Packet</li> <li>• Evaluation and other records relating to performance</li> <li>• Change of Status</li> </ul>	
Discrimination and Wage Claims	P
Leave files, including FMLA	3

### 13. Public Information Records

### Retention Period (Years or Permanently (P))

Press releases	3
Program Brochures	7
Articles and press clippings	P
Annual Reports	P

### 14. Proposals and Fundraising

Proposals (funded)	
Direct federal funding	4
Other government funding	7
Private funding agency (or more as required)	4
Proposals (unfunded)	1
Records of fundraising appeals and events	4
Correspondence	3

### 15. Executive Office Records

Correspondence (non-e-mail)	
Of historical importance	P
General correspondence (and not kept by one of departments listed above)	3
Routine, not of significance	

### 16. Information Technology

Correspondence	3
Equipment location and maintenance records	Length of lease
Contracts, leases, and addenda, related proposals and correspondence	7 after lease or contract termination
Systemwide e-mails	

### 17. Office Services/Administration Records

Equipment location and maintenance records	Length of lease
Contracts, leases, and addenda, related proposals and correspondence	7 after lease or contract termination