***{draft of 2019-03-21}***

**Policy 3-014: University Financial Record Retention.** Revision 0. Effective date [upon final approval ?]

**DRAFT**

**I. Purpose & Scope**

1. Purpose: To establish a records retention policy and outline the processes and best practices for the retention and disposal of University of Utah financial records, in order to meet legal requirements, optimize use of space, and minimize cost.
2. Scope: This Policy applies to those University financial records, as defined and referenced herein. This Policy is binding for all University colleges, departments and units, including University Hospital & Clinics. This Policy does not govern retention and disposal of *non-financial* University records.

**II. Definitions**

1. University Financial Record *–* Means any University document which memorializes a “financial transaction” of the University as defined in University [Policy 3-003](https://regulations.utah.edu/administration/3-003.php): Authorizations and Approvals Required for Financial Transactions. This includes any document memorializing any receipt, disbursement or transfer that is ultimately recorded in University systems, regardless of funding source. Transaction data and supporting documents constituting a University financial record may be maintained in electronic and/or hard copy form. Examples of such documentation might include authorizations and requests relating to University bank accounts, payrolls, requisitions and purchase orders, travel payment requests and expense reimbursements, petty cash reimbursement requests, journal entries, fund transfers, campus orders, and other similar documents and transactions.

1. Retention schedule –Means the relevant schedule provided for in University Rule R3-014A: Financial Document Retention & Disposal, to implement this Policy. The relevant Retention Schedule identifies common University financial records, categorized by function, and prescribes the length of time records in each such category must be retained before they may be disposed of or archived.

1. University Records *–* As defined in University [Policy 1-009](https://regulations.utah.edu/general/1-009.php): University Archives, these are: “all written or printed books, papers, letters, documents, maps, plans, photographs, sound recordings, and other records and documents made or received pursuant to state law and in connection with the operation of the University in all its facets.”

1. University Archives – As defined in University [Policy 1-009](https://regulations.utah.edu/general/1-009.php): University Archives, this is: “the official depository for all non-current University records of permanent or historic value not required to remain with the originating office.”

**III. Policy**

1. Under this Policy 3-014, and as also required by University [Policy 1-009](https://regulations.utah.edu/general/1-009.php) University Archives: The originating offices shall be responsible for the maintenance and preservation of all University financial records under their control until officially transferred to the University Archives or disposed of in accordance with University policy and state law.

1. Each University financial record shall be retained for the specified retention period according to the retention schedule described for a record of that category in Rule 3-014A: Financial Document Retention & Disposal. As further explained in that Rule, any record which has elements of more than one category (e.g., Travel and Reimbursement charged to Grants and Contracts/ or Purchasing Card Documents charged to Grants and Contracts) shall be subject to the longer applicable retention period.
2. The requirement of maintaining and preserving a financial record, for the specified retention period, may be satisfied by retaining that record in any commonly used format.
3. University financial records shall be destroyed as follows:

1. Schedule: Each financial record should be destroyed upon the termination of the applicable mandatory retention period, as is described in Rule 3-014A: Financial Document & Disposal. Absent any special instruction or unique circumstances, a record generally should be destroyed at the end of the retention period; retaining any record past its mandatory retention period should be on an exceptions-only basis after weighing the potential usefulness of the record against cost or space limitations. In a case where there is *no* prescribed retention period, the record keeper may destroy or archive a record once it has outlived its usefulness.

2. Method: The appropriate method of destruction depends on the record’s physical form or medium and subject matter or content. A record should be destroyed or disposed of so that any personally identifiable information (or other sensitive/ restricted or similar type of data, as more fully described in [Policy 4-004](https://regulations.utah.edu/it/4-004.php) Information Security) cannot practically be read or reconstructed.  It should not be placed in an unsecured trash or recycling receptacle unless first rendered unrecognizable. A paper record should be redacted, burned, pulverized or shredded, and an electronic record should be destroyed or erased.

1. When necessary, the descriptions of retention periods and disposal requirements within Rule 3-014: Financial Document Retention & Disposal may be updated by an expedited revision of that Rule under the direction of the Policy owner and upon the approval of the Policy Officer, and with notice of the revision provided to the Institutional Policy Committee.

*[Note: Parts IV-VII of this Regulation (and all other University Regulations) are Regulations Resource Information – the contents of which are not approved by the Academic Senate or Board of Trustees, and are to be updated from time to time as determined appropriate by the cognizant Policy Officer and the Institutional Policy Committee, as per Policy 1-001 and Rule 1-001.]*

**IV. Rules, Procedures, Guidelines, Forms, and other related resources**

Rule 3-014A: Financial Document & Disposal

**V. References**

Policy 3-003: Authorizations and Approvals Required for Financial Transactions

Policy 1-009: University Archives

[Policy 4-004](https://regulations.utah.edu/it/4-004.php) Information Security

**VI. Contacts**

The designated contact officials for this Policy are:

**Policy Owners (primary contact person for questions and advice)**: Office of the Associate Vice President of Financial & Business Services.

**Policy Officers**: Chief Financial Officer.

These officials are designated by the University President or delegee, with assistance of the Institutional Policy Committee, to have the following roles and authority, as provided in University Rule 1-001:

"A "Policy Officer" will be assigned by the President for each University Policy, and will typically be someone at the executive level of the University (i.e., the President and his/her Cabinet Officers). The assigned Policy Officer is authorized to allow exceptions to the Policy in appropriate cases.... "

"The Policy Officer will identify an "Owner" for each Policy. The Policy Owner is an expert on the Policy topic who may respond to questions about, and provide interpretation of the Policy; and will typically be someone reporting to an executive level position (as defined above), but may be any other person to whom the President or a Vice President has delegated such authority for a specified area of University operations. The Owner has primary responsibility for maintaining the relevant portions of the Regulations Library... .[and] bears the responsibility for determining which reference materials are helpful in understanding the meaning and requirements of particular Policies... ." University Rule 1-001-III-B & E

**VII. History** { *add history description after Policy is processed through Senate and Trustees.*}

**Rule 3-014A: Financial Records Retention and Disposal.** Revision 0. Effective date [upon final approval??]

1. **Purpose & Scope**
   1. Purpose: This Rule implements University Policy 3-014 Financial Record Retention, by specifying the retention periods and disposal guidelines for University Financial Records.
   2. This Rule is binding for all University colleges, departments and units, including University Hospital & Clinics. This Rule does not govern retention and disposal of *non-financial* University records.
2. **Definitions**
   1. The definitions provided in Policy 3-014 apply for purposes of this Rule.
3. **Retention** 
   1. **Grants & Contracts**: Documentation pertaining to grants and contracts shall be retained up to 7 years after admittance of the final report or final action (unless audit or other legal proceedings require documents to be retained until resolution of the situation), or for the minimum time period required by the award sponsor to retain contract documentation.
   2. **Bonds**: Bond documentation, which includes, but may not be limited to, the closing documents of a bond issuance, continuing disclosures as well as invoices/receipts pertaining to any construction projects, associated with the bond, annual private business use reviews, and any arbitrage calculations must be retained for 3 years after final action. If a certain bond is refunded with a newer refunding bond, all bond documents related to the original bond should be maintained until 3 years after the final action of the refunding bond.
   3. **Purchasing:** Procurement records include requisition documents, solicitation documents, solicitation responses, purchase orders, procurement contracts, and exceptions to competitive bid requirements. Procurement records shall be kept for 6 years after the end of the project/program/contract.
   4. **Travel and Reimbursements:** Documents such as reimbursement forms, travel receipts, and corresponding credit card statements must be retained by departments for 3 fiscal years plus current year.
   5. **Purchasing Card Documents:** Receipts, statements and any other related documentation shall be kept for 7 years.
   6. **Tax Documents:** Tax documents such as, but not limited to, sales tax invoices, state or federal withholding, payment or liability documents, unrelated business income documents, and other general tax documents, must be retained for 7 years.
   7. **Real Property and Capital Equipment:** Documents regarding the purchase and additions to real property and capital equipment, as defined in Policy 3-040, shall be retained for the entire life of the asset and for seven years after the asset retirement.
   8. **General Financial Documents**: General financial documents such as journal entries, activity setup forms, management reports, bank statements and reconciliation, and other financial documents shall be retained for the period set forth by the Utah Division of Archives and Records.
   9. **Records with elements of two or more categories**: Any record which has elements of more than one category (e.g., Travel and Reimbursement charged to Grants and Contracts/ or Purchase Card Documents charged to Grants and Contracts) shall be subject to the longer applicable retention period.
   10. **Disposal Rule**: Once the specified retention period has passed, financial records shall be destroyed by the department maintaining control, in accord with requirements described in Policy 3-014, unless:
4. Applicable law requires that the University record be retained for a longer period than described in the retention schedule;
5. The University record is involved in or expected to be involved in a legal proceeding or audit;
6. The University record is needed by the originating office to perform current or future activities for which the office is responsible.

*[Note: Parts IV-VII of this Regulation (and all other University Regulations) are Regulations Resource Information – the contents of which are not approved by the Academic Senate or Board of Trustees, and are to be updated from time to time as determined appropriate by the cognizant Policy Officer and the Institutional Policy Committee, as per Policy 1-001 and Rule 1-001.]*

1. **Policies, Procedures, Guidelines, Forms and other related resources**
   1. Policy 3-014: Financial Record Retention
   2. Policy 3-040: Property Management
2. **References**
   1. Reserved
3. **Contacts**

The designated contact officials for this Rule are:

**Policy Owners (primary contact person for questions and advice)**: Office of the Associate Vice President of Financial & Business Services.

**Policy Officers**: Chief Financial Officer.

These officials are designated by the University President or delegee, with assistance of the Institutional Policy Committee, to have the following roles and authority, as provided in University Rule 1-001:

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1. **History**
   1. {*add history description after processed through Senate & Trustees*}