

# Shenandoah University Business Office Record Retention Policy

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## I. POLICY

### Purpose

The purpose of this policy is to establish standards for managing Shenandoah University's Business Office records in an appropriate, systematic and timely manner, consistent with regulatory requirements.

### Principles

Shenandoah University's Business Office record retention policy is based upon three principles:

- Complete, accurate and high-quality records are to be maintained;
- Storage and Retrieval are outlined in the Record Retention Procedure;
- To promote greater efficiency, business records will be properly disposed of based on the Normal Retention Period, the Extended Retention Period, if any, and the effectiveness of any Records Hold Order.

### Bases of Retention

Retention periods are based upon the state and federal requirements in number of years (see attached Records Retention Schedule), meaning:

- a specific federal or state law requires us to maintain the record;
- important property rights which the University has a legal obligation to protect are involved;
- and/or the University is aware of a specific, impending claim or legal action.

## II. DEFINITIONS

- **Department:** The business units, functional areas, locations and facilities that comprise Shenandoah University. All departments are required to comply with the attached Records Retention Schedule.
- **Extended Retention Period:** The extended length of time that records in a particular class of records must be retained due to any special applicable local and/or other requirement, or any order, decree, license, permit or agreement that dictates a specific retention period that is longer than that of the Normal Retention Period.
- **Records Retention Schedule:** A schedule that classifies records according to the business function or department with respect to which they were created and assigns a Normal Retention Period for each class of records.
- **Normal Retention Period:** The length of time set forth in the Records Retention Schedule, that records in a particular class of records must be retained. The lengths of the various Normal Retention Periods are based on general standards and, where appropriate, federal requirements or any order, decree, license, permit or agreement,

dictate a retention period that is longer than the Normal Retention Period, the longer retention period is to be observed.

- **Obsolete Records:** Records are “obsolete” only when all of the following are true:
  1. The Normal Retention Period for the records has expired;
  2. The Extended Retention Period (if any) has expired;
  3. There is neither a Records Hold Order in place nor a reason for a Records Hold Order to be in place with respect to the records;
- **Off-Site Storage Facility:** The designated third-party facility, assigned by Shenandoah University, which houses all documents that are not needed on a daily/weekly basis
- **Record:** An account of an event relating to Shenandoah University business preserved on some medium, e.g. paper, electronic copy, so that it may be reviewed at a later time. Examples of records include:
  1. Documents or reports submitted to government or regulatory authorities;
  2. Financial transactions, accounts and journals;
  3. Time reports;
  4. Expense account documents;
  5. Contracts;
  6. Business correspondence;
  7. Email messages.
- **Records Hold Order:** A designation, applied in response to particular circumstances (e.g. reasonably anticipated litigation, court order or special local legal requirement), that identifies particular records or classes of records that must be safeguarded against any alteration, loss, or destruction until the Records Hold Order is lifted. Records subject to a Records Hold Order must be retained until that order is lifted even if the Normal Retention Period and/or any applicable Extended Retention Period expire before the order is lifted.

### III. RETENTION AND DISPOSAL PROCEDURES

#### Overview

This Policy is designed to facilitate full compliance with all applicable legal requirements relating to the safeguarding, retention and production, when necessary, of business records. Documents that are to be retained for more than one year and do not require daily and/or weekly use should be stored in the designated off-site storage facility.

#### Records Retention Schedule

All departments should review the schedule and maintain records in accordance with any statutory/country requirements.

#### Record Retention

Each department shall be primarily responsible for applying and implementing this Policy. In addition, each department may decide on a case-by-case basis to retain specifically designated records beyond the Normal Retention Period set forth in the Records Retention Schedule to meet its own business needs. In no instance shall the retention period be shortened.

### Record Disposal

Annually, each department (including outside consultants and outside agencies subject to this policy) will conduct a formal record purging process to identify and destroy records that have become obsolete after the Normal Retention Period and any applicable Extended Retention Period.

The Shenandoah University Records Retention Schedule is usually expressed in terms of fiscal years plus the current fiscal year. For Example, if the record is identified as "two years," during FY2006, all FY2005 and FY2004 copies will be kept, FY2004 records are destroyed within 30 days of FY2006 year end.

All disposed materials must be securely destroyed, e.g., shredded, reformatted, etc. All backup and archive copies of a record must be destroyed when the original is destroyed. All participants must ensure that their personal hard disks, home computers, home files, etc., are purged in accordance with these guidelines.

On an ongoing basis, duplicate and multiple materials should be eliminated. Whenever possible, the official record is the one to be retained. Accounting records should not be destroyed without clearance from the Finance Department.

### Records Hold Order

In the event the University is placed on notice as the subject of investigation senior management and/or legal counsel will notify personnel responsible for disposal processing to suspend destruction of documents. Efforts to suspend and commence retention and disposal processing will be done to ensure compliance with and full cooperation with enforcement and legal proceedings. All related management and supervisors would be sure to communicate such protocol in a timely manner to internal personnel and related vendors responsible for document retention and disposal processes.

Given the extent to which business records are maintained on computers and related storage devices, it is worth noting that any Records Hold Order will apply to all electronic records that are relevant to the matter giving rise to the order. This includes electronic files on individual hard drives, floppy disks, memory sticks, the University's network and wherever else relevant files may be electronically stored. A Records Hold Order applies to all documents regardless of the record media (i.e. paper, microfilm or electronic storage).

### Off-site Retention

Documents maintained off-site (those that are not needed on a daily/weekly basis) are to be stored in accordance with these instructions:

- Records must be stored in "Bankers Box<sup>®</sup> R-Kive<sup>®</sup> Storage Boxes" [Item #356-818 ordered from Office Depot]
- Record should be maintained of all boxes (and their contents) sent to storage
- The box must be labeled with a permanent marker including the Contents, Year and Destroy date

Boxes will be stored in the following location:

White Properties of Winchester, Inc.  
720 S. Braddock Street  
Winchester, VA 22601  
540.667.1710

Materials that may be disposed without a specific retention period:

The following are considered to have no administrative, legal, financial or historic requirements for retention. They may be disposed of after they have served their reference purposes.

- **Duplicates:** Extra copies of correspondence, completed forms, bulletins, statistics, reports, hardcopy printouts from databases, electronic files extracted from a master file/database, mailing lists or other records used only for reference or informational distribution.
- **Document Errors:** Incorrect versions of documents, forms or reports that had to be regenerated in order to correct errors in typing, data entry, spelling, grammar or format.
- **Preliminary Drafts:** Drafts of memos, letters, worksheets, and other records, and those that represent stylistic, spelling or grammatical changes.
- **Copies:** Documents that have no further administrative value after the recordkeeping copy is made including copies maintained by employees in personal files.



# SHENANDOAH UNIVERSITY RECORDS RETENTION SCHEDULE

	<u>Retention Period</u>		<u>Retention Period</u>
Accident reports/claims (settled cases).....	7 yrs.	Mimute books of directors, stockholders, bylaws, & charter .....	Permanently
Accounts payable ledgers & schedules.....	7 yrs.	Notes receivable ledgers & schedules .....	7 yrs.
Accounts receivable ledgers & schedules.....	7 yrs.	Option records (expired) .....	7 yrs.
Audit reports.....	Permanently	Patents & related papers .....	Permanently
Bank reconciliations .....	2 yrs.	Payroll records & summaries .....	7 yrs.
Bank statements .....	3 yrs.	Personnel files (terminated) .....	7 yrs.
Capital stock & bond records: ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etc .....	Permanently	Party cash vouchers .....	3 yrs.
Cash books .....	Permanently	Physical inventory tags .....	3 yrs.
Charts of accounts .....	Permanently	Plant cost ledgers .....	7 yrs.
Checks (canceled - see exception below).....	7 yrs.	Property appraisals by outside appraisers.....	Permanently
Checks (canceled for important payments - i.e., taxes, purchases of property, special contracts, etc. Checks should be filed with the papers pertaining to the underlying transaction.).....	Permanently	Property records, including costs, depreciation reserves, year-end trial balances, depreciation schedules, blueprints, & plans .....	Permanently
Contracts, mortgages, notes, & leases (expired) .....	7 yrs.	Purchase orders (except purchasing department copy) .....	1 yr.
Contracts, mortgages, notes, & leases (still in effect) .....	Permanently	Purchase orders (purchasing department copy) .....	7 yrs.
Correspondence (general) .....	2 yrs.	Receiving sheets .....	1 yr.
Correspondence (legal & important matters only) ..	Permanently	Retirement & pension records .....	Permanently
Correspondence (routine) with customers and/or vendors .....	2 yrs.	Requisitions .....	1 yr.
Deeds, mortgages, & bills of sale .....	Permanently	Sales commission reports .....	3 yrs.
Depreciation schedules .....	Permanently	Sales records .....	7 yrs.
Duplicate deposit slips .....	2 yrs.	Scrap & salvage records (inventories, sales, etc.) ..	7 yrs.
Employment applications .....	3 yrs.	Stenographers' notebooks .....	1 yr.
Expense analyses/expense distribution schedules.....	7 yrs.	Stocks & bonds certificates (canceled).....	7 yrs.
Financial statements (year-end, other optional).....	Permanently	Stockroom withdrawal forms .....	1 yr.
Garnishments .....	7 yrs.	Subsidiary ledgers .....	7 yrs.
General/private ledgers, year-end trial balance.....	Permanently	Tax returns & worksheets, revenue agents' reports, & other documents relating to determination of income tax liability .....	Permanently
Insurance policies (expired).....	3 yrs.	Time books/cards .....	7 yrs.
Insurance records, current accident reports, claims, policies, etc .....	Permanently	Trademark registrations & copyrights.....	Permanently
Internal audit reports (longer retention periods may be desirable).....	3 yrs.	Training manuals .....	Permanently
Internal reports (miscellaneous).....	3 yrs.	Union agreements .....	Permanently
Inventories of products, materials, & supplies.....	7 yrs.	Voucher register & schedules .....	7 yrs.
Invoices (to customers, from vendors).....	7 yrs.	Vouchers for payments to vendors, employees, etc. (includes allowances & reimbursement of employees, officers, etc., for travel & entertainment expenses) .....	7 yrs.
Journals .....	Permanently	Withholding tax statements .....	7 yrs.

*The retention period is the number of years from the date the tax return was filed.  
All material presented is for general information only and should not be acted upon without professional assistance.*

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