

# USMF FOUNDATION

SERVING THE UNIVERSITY SYSTEM OF MARYLAND

<b>Subject:</b> Document Retention Policy and Procedures	<b>Effective Date:</b> October 5, 2005	Pages 1 of 5
	<b>Supersedes:</b>	
	<b>Responsible Authority:</b> Chief Financial Officer General Counsel	

This policy is established to ensure that the records of the University System of Maryland Foundation (hereafter the "Foundation") are retained as required by law and/or for a period of time period deemed to be sufficient given the content and purpose of the record. "Records" includes all forms of communications or information relating to the Foundation and its business which have been reduced to "hardcopy" such as paper or film or which can be retrieved from electronic media. Records shall include all incoming and outgoing records as well as drafts, notes, calendars and personal records relating to Foundation business.

Failure to retain records as required by law could subject employees and the Foundation to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place the Foundation in contempt of court, or seriously disadvantage the Foundation in litigation.

The Foundation expects all employees and other persons who generate and access Foundation records to fully comply with this policy. In addition, if an employee or other person believes or is informed by the Foundation, that Foundation records are relevant to litigation or potential litigation (i.e., a dispute that could result in litigation), then those records must be preserved until the Foundation in-house or outside legal counsel determines the records are no longer needed. This exception supersedes any previously or subsequently established destruction schedule for those records.

Retention time periods are noted below unless needed for a longer period of time due to audit requirements or litigation:

- Institutional and Legal Records:**
- Articles of Incorporation; By-Laws; Annual Reports- Permanently
  - Minutes of Director and Director Committee Meetings - Permanently
  - Copyright and Trademark Registration - Permanently

Contracts (including agreements with investment managers) and Leases – while active plus 7 years  
Deeds and Titles – Permanently  
Licenses – While active plus 7 years  
*Files should be retained in fire proof safe in USMF offices*

Federal and State Tax Records (retained in files within USMF office unless noted below)  
Form 990, Form 990T and State returns with attachments– Permanently  
Form 990, Form 990T and State Support – 7 years  
IRS Exemption Application and Determination Letter - Permanently  
Private Letter Rulings, and Revenue Agent's Reports – Permanently  
IRS Audit Files – 7 years  
Trust Returns for which USMF is trustee – 7 years  
Unclaimed Property Reports – Permanently

#### Litigation Records

Claims – While Active plus 2 years  
Court Documents and Records - While Active plus 2 years  
Deposition Records – While Active plus 2 years  
Discover Materials – While Active plus 2 years  
Litigation Files – While Active plus 2 years  
Records relevant to pending or threatened litigation should be retained until litigation is resolved or threat of litigation gone.

#### Capital Property Records

Inventory – While Active plus 7 years  
Property Records including motor vehicle records – While Active plus 7 years  
Depreciation Schedules – While Active plus 7 years  
Property Improvement Records – While Active plus 7 years  
Sales – 7 years  
Tax Exemption Records – Life of Property plus 7 years  
Mortgage, Bonds, and Other Long Term Debt Records – While Active plus 7 years  
Memorandums of Understanding with Donors – Permanently (in fire proof safe)

#### Bank Records

Bank Reconciliations and support, bank statements, deposit records, wire transfer records and cancelled checks- 7 years (except for important payments such as payments for purchase of significant property or lawsuit settlements) which should be retained permanently)

#### Insurance (insurance broker retains)

Property Insurance Policies – Life of Policy  
Liability Insurance Policies – Life of Policy  
Insurance Claim Documents – Settlement plus 7 years

#### Payroll- Records

Individual Employee Files  
Wage and Salary History – 7 years  
Salary or Current Rate of Pay – 7 years  
Payroll Deductions – 7 years

Time Sheets – 7 years  
W-2 Form – 7 years  
W-4 Form – 7 years  
Garnishments – While Active plus 7 years

Other

Bi-weekly payroll registers – 7 years  
Payroll reports to Federal, State and Municipal Agencies – 7 years  
Payroll Journal Entries – 7 years after final payment  
Unclaimed Salaries and Wages – until required to be reported to State  
Notice of Unemployment Claims – 7 years

Employment

Job Announcements and Advertisements – 1 year  
Applicants Not Hired  
Applications or Resumes - 1 year  
Applicants Who are Hired  
Applications or Resumes – While Active plus 7 years  
Background Investigations Results (summary letter from contractor for current employees and report for new hires) – While Active plus 7 years  
Letters of Recommendations – While Active plus 7 years  
General Files (after expiration)  
Pension Plans – 7 years  
Retirement Plans – 7 years  
Flexible Spending Plans – 7 years  
All other employee benefit plans – 7 years

Personnel Files

Applications and Resumes for Employment – While active plus 7 years  
Unsuccessful – 1 year  
If EEO suit – until resolution  
Employment History including performance evaluations, disciplinary warnings and termination or layoff notices– While Active plus 7 years  
Beneficiary designations – While Active plus 7 years  
Medical Records – While Active plus 7 years

Financial Records – including machine-sensible records that contain sufficient transaction – level detail so that the information and the source documents underlying the machine – sensible records can be identified.

Description of Accounting System – While Active  
General ledgers, subsidiary ledgers and year end trial balance –

Permanently

Journal Vouchers and Backup – While Active plus 7 years  
Account Reconciliations – While Active plus 7 years  
Annual Audits – Permanently  
Audit Reports and Work Papers – While Active plus 7 years  
Accounts Payable ledgers and schedules, vouchers for payments and voucher registers and checks– 7 years  
Accounts/ Notes Receivable ledgers and schedules – 7 years  
Quarterly Unitized Bank Reports – 7 years

#### Revenue Records

Contributions, Grant and Non Gift Records – all documents supporting the transaction such as donor correspondence -7 years  
Subsidiary Ledgers and Posting Reports – 7 years

#### Investment Records

All reports received from investment managers relating to investment performance, firm operations and market valuations – 7 years  
Monitoring Records – 7 years

#### Accounts Payable Records

Processed and Paid Disbursement and Expense Reimbursement Requests – 7 years  
Subsidiary Ledgers and Posting Reports – 7 years  
Check Preparation Reports – 7 years  
1099 and 1042 Reports – 7 years  
Check Register – 7 years

#### Paper or Electronic Correspondence

General/Routine – Screen annually and destroy that material for which no further reference is required. At the end of 2 years all e-mails will be automatically deleted unless noted to be saved. However, employees should periodically review e-mail folder for deletion.

Legal – see litigation

Investment – see investment

*Voice mails should be deleted as soon as receiver responds to caller or matter resolved which ever is later.*

#### Internal Audit

Reports and Responses – 7 years

#### Retention

USMF usually retains the most recent two years worth of accounting and payroll documents at USMF's business office. Documents older than two years are usually archived in an off site facility. (Currently Iron Mountain, Jessup, MD) However, documents older than two years may be retained on site. All other documents are retained on site.

Back-ups are performed nightly by USM Information Technology. The nightly tapes are kept in a safe on site. One set of tapes is rotated off site weekly, per USM policy. These tapes include all activity through Timeline as well as word and excel documents that are on all drives but A: and C:

Employees should consult with CFO prior to destroying any record not identified above.

Disposal: The CFO is responsible for oversight and approval for the retention and final disposition of records.

(a) A record shall be made of all disposed documents and filed in the in the USMF fire proof safe. The record shall identify the type of record destroyed, the subject matter (if applicable), and the date and method of disposal and the initials of the persons who disposed.

(b) Any document containing the personal information of Foundation employees, vendors, or donors is secured and maintained in locked cabinets and shall be shredded when disposition occurs to prevent the document from causing harm to the person (i.e. identity theft and employee privacy).

(c) The Foundation will have an annual "clean-up" day during which employees shall dedicate their efforts to document storage and disposal in compliance with this policy.

Privacy: Many records subject to record retention requirements contain confidential information. For example, medical records of employees must be stored separately. Employee background reports must be stored separately in the custody of General Counsel's Office.

#### Compliance

The Chief Audit Executive shall periodically audit to ensure compliance.

Approved by Audit Committee: \_\_\_\_\_