The American University in Cairo
Financial Policies and Procedures

Policy : Document Retention
Policy Number : FPP-DOCT-001
Date Issued : Active   Effective Date: September 1, 1997
Date Revised : September 1, 2004
Responsible Official : Controller
Approved By : VP Finance

Definitions

**Active records**
Records needed to support the current business activity of a department, school, business support center, or institutional business office.

**Business process**
A series of related activities designed to accomplish a specific objective (e.g., collecting and depositing university funds, payment of invoices, etc).

**Inactive records**
Records for which the active period has passed, and which are being held for the remainder of the specified retention period.

**Permanent (archival) records**
Records that have long-term or permanent value to the University, such as endowment indentures, University Bylaws, deeds, continuing agreements with external parties, and other similar documents.

**Records custodian**
An individual assigned by a records manager to formally retain paper documents pursuant to established standards and systems.

**Records manager**
An individual appointed by the responsible official to oversee the administration of records management systems (both paper and electronic) for an established business process.

**Responsible official**
A senior member of management who serves as the owner of institutional and divisional business processes, and, as such, is responsible for ensuring effective implementation of this policy in his/her assigned area of responsibility.

**Retention period**
The minimum required length of time for which a department or central administrative office is responsible for the maintenance of records.

Purpose

This policy provides guidelines for retention of official University financial records, including payroll and related records. It applies to all University financial records and all University employees who create receive or maintain such records in the course of University business.

This policy does not address the retention of student academic records, patient medical records, or any other area of operations outside the University's financial administration. Consult the appropriate University office for further information about those areas.

This policy seeks to:

- promote compliance with Federal and Egyptian governments legal requirements for record retention;
- promote the efficient management, sharing, and transfer of information among authorized University staff within prescribed security standards;
- effectively utilize limited office space for active records and utilize low-cost, remote storage space for inactive records;
- dispose of records no longer needed to satisfy legal, regulatory or other requirements:
- ensure that no record is disposed of unless authorized;
- ensure that the means of destruction is appropriate for the type of record under consideration;
- ensure the preservation of records of permanent value; and
- Ensure that record retention policies, schedules and procedures are reviewed and modified as necessary to respond to changes in technology or regulations.
The American University in Cairo
Financial Policies and Procedures

Policy : Document Retention
Policy Number : FPP-DOCT-001
Date Issued : Active   Effective Date: September 1, 1997
Date Revised : September 1, 2004
Responsible Official : Controller
Approved By : VP Finance

Policy Statement
University financial records must be retained for a period of time necessary to meet the operational, administrative, sponsor, and legal requirements of the University, and must then be destroyed through a secured method. This policy applies to financial records of all formats, including paper records, computer files (e-mail, word-processed documents, spreadsheets, databases, and materials in imaging systems). The University encourages the use of storage methods that eliminate waste, reduce cost and promote efficiency.

Authorization
The University Controller is responsible for setting the standards for retention and management of University financial records, in collaboration with major business process owners.

Forms

Policy Guidelines

Retention Period
The retention period begins on the last day of the fiscal year that the records were created.
Financial records must be retained for a minimum of five (5) years from the fiscal year of creation, unless other retention period is imposed as is the case with records related to grants and contracts. It may be necessary to retain certain non-archival records for a period longer than five (5) years if they are required to support an audit, litigation or other matter.
University records must be maintained in a manner that supports operational needs and internal control directives, and must also meet federal, local, sponsor, and regulatory requirements. Document retention standards and systems must ensure that transactions and related authorizations are fully supported in the event of an audit, litigation, or other external action.

Documents of Permanent Value
Most financial and transactional records are non-archival. However, the Controller may determine that certain categories of financial records are of permanent value to the University, and will arrange for appropriate storage of such records beyond their active period.

Departmental Responsibilities
Those who give final approval to financial transactions must identify, safeguard and retain the official or "record" copies of documents supporting those transactions. Therefore, department administrators who have been delegated approval authority for certain kinds of transactions are responsible for the original records related to those transactions. Duplicate records must be eliminated to the extent possible.
Departments must follow guidelines and standards issued by the Office of the Controller in support of this policy.

Ownership of Institutional Records
University financial records are the property of the University and do not belong to those who prepare such records or to their official custodian. No employee has any personal or property right to financial records of the University, including those records that the employee helped develop or compile, and no employee may remove or copy such records for personal use.

Record Retention Categories
Records fall into one of the three record retention categories:
1. archivial records (permanent);
2. non-permanent records requiring retention for legal or audit purposes;
3. routine administrative records.
The American University in Cairo  
Financial Policies and Procedures

<table>
<thead>
<tr>
<th>Policy Number</th>
<th>FPP-DOCT-001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date Issued</td>
<td>Active</td>
</tr>
<tr>
<td>Date Revised</td>
<td>September 1, 2004</td>
</tr>
<tr>
<td>Responsible Official</td>
<td>Controller</td>
</tr>
<tr>
<td>Approved By</td>
<td>VP Finance</td>
</tr>
<tr>
<td>Effective Date</td>
<td>September 1, 1997</td>
</tr>
</tbody>
</table>

### Document Active Period

Normally, the active period for financial records ends on the last day of the fiscal year following the fiscal year in which the records were created. For instance, a record created on September 20, 2001, ends its active period on August 31, 2003.

### Storage Standards and Locations

At the end of the active period, records must be labeled and stored for the balance of the retention period according to University guidelines and procedures.

The records custodian is responsible for appropriately labeling and arranging for suitable storage of inactive records. The University’s dedicated Main Administrative Building’s Basement Store is provided with record shelving facilities is the preferred location for storage of record. However, due to lack of space at that facility, financial records for the latest two years are stored at that location, and the previous three years are stored at the University’s Heliopolis branch.

Regardless of where records are stored, the originating department is responsible for maintaining files or logs describing the contents of stored records, and for retrieving records upon official request.

### Disposition of Records

At the end of the appropriate retention period, inactive records, including transaction records, inactive agreements and other non-permanent records, shall be destroyed thru the Building and Ground Services (B&Gs) using a secured method that ensures the full destruction of those records.

The disposal process and methods should preserve the confidentiality of documents through the final point of disposition. Records containing personal and confidential information must be burned or shredded and sent to the recycle center. The B&Gs assists departments in arranging for confidential destruction of records. Non-confidential paper records may be put into recyclable containers.

### Accessibility of Records

Financial records must be easily retrievable for examination by authorized departmental and central administrators, auditors and other authorized individuals. Records custodians must follow procedures for labeling and record-keeping to ensure that documents can be retrieved in a timely manner, and are responsible for retrieving records upon request.

Access to electronic records shall be subject to the University’s policy governing information access and security. Records managers, in consultation with IT professionals, are responsible for ensuring that electronic records are not rendered unusable because of changing technology or deterioration. Records in formats endangered by technology changes must be migrated to other formats in order to maintain accessibility.

### Safeguarding Records

The records custodian is responsible for ensuring that active and inactive financial records are stored in a secure location. The storage location must provide appropriate confidentiality and protection from unauthorized inspection, theft, and physical damage due to a fire, water or natural disaster. The records custodian must use sound judgment in restricting access to financial records, giving consideration to the degree of confidentiality warranted for such records. Permanent records must be maintained in a fireproof container, and access must be limited to authorized personnel.

### Use of Document Imaging

Document imaging may be the most effective and efficient means for retaining certain types of records. However, any department that is contemplating
replacing original financial documentation with images of those records must consult the Controller prior to implementing such a system. The Controller is responsible for issuing guidance to departments with regard to such implementations.

Departments proposing such systems must be prepared to demonstrate that the following requirements would be met:

1. Electronic records must exhibit a high degree of legibility and readability;
2. Paper copies or computerized books and records must be transferred to electronic storage media in an accurate and complete manner;
3. Procedures must be developed to index, store, preserve, retrieve, and reproduce all electronically stored books and records;
4. Controls must be developed to ensure the integrity, accuracy, and reliability of the electronic records;
5. Controls must be developed to prevent and detect the unauthorized creation, alteration, addition, deletion, or deterioration of electronically stored books and records; and,
6. An inspection and quality assurance program must be developed which must include regular evaluations of the system and periodic checks of stored books and records.

Records related to grants and contracts must be retained for a period of three (3) years following the date of the submission of the final financial report to the funding agency, unless the terms of the award specifically state otherwise, or if there is a pending audit or litigation matter. Retention periods for such records vary widely depending upon the sponsoring agency and individual contract terms. For example, when the University accepts a Federal grant or contract it enters into a binding agreement that requires it to apply Federal disposition schedules to records pertaining to such awards. However, non-Federal agencies may apply a different set of standards for record retention and in those cases it is best to refer to the agreement itself for retention requirements. In any case where the sponsoring agency's retention period is longer than that dictated by University policy, the longer period shall apply.

Departments and business support centers are strongly encouraged to consult the office of Sponsored Programs (OSP) to determine the appropriate retention period for records related to specific grants or contracts. Prior to destruction, department administrators must consult the Office of Grants Accounting Services of the Controller’s Office to ensure that the records are not related to pending audits or litigation.

Exceptions to this policy must be approved by VP Finance or the Controller.