

K. Record Retention

Financial Records

The following table provides the record retention periods for various types of financial records.

Financial Data	Retention Period
Externally issued financial statements and reports, including audited financial statements	Indefinitely
Payroll tax return financial reports	Indefinitely
Income tax returns and any related materials such as protest information	Indefinitely
General ledger and the general journal	Indefinitely
Fixed Assets on Hand, including documents substantiating fixed asset additions (e.g., vendor invoices) including amounts and dates of additions or improvements, depreciation policy	Indefinitely
Historical records of gift, endowment, and any special fund information	Indefinitely
Canceled checks: institutional	3 years
Canceled checks: payroll	3 years
Canceled checks: payroll related tax checks	4 years
Canceled checks: income tax checks	Indefinitely
Bank statements and reconciliations	3 years
Vendor invoices, purchase orders, and receiving reports	3 years
All records associated with employment taxes, including: payroll tax returns; amounts and dates of all wage, annuity, and pension payments; any tips reported; fair market value of in-kind wages paid; names, addresses, social security numbers, and occupations of employees and recipients; any employee copies of Form W-2, returned to organization as undeliverable; dates of employment; periods for which employees and recipients were paid while absent due to sickness or injury and the amount and weekly rate of payments made to them; copies of employees' and recipients' income tax withholding allowance certificates; dates and amounts of tax deposits made; records of allocated tips; and records of any taxable fringe benefits provided, including substantiation.	4 years

Human Resources Records

Carnegie’s policy is to maintain personnel files indefinitely for any current employee and to not purge any of the contents in the file, no matter how old. For terminated employees, we maintain detailed personnel records for at least three years from the date of termination.

We believe that this policy meets, and exceeds, the legislative record retention requirements, which are summarized below for information purposes. Some of these requirements may not be applicable to Carnegie.

Relevant Legal Authority	Type of Record	Retention Period
Age Discrimination in Employment Act of 1967 (ADEA)	Applications, job advertisements, documents related to hiring, firing, transfer, demotions, promotions, layoffs, payroll records, job descriptions, employment handbooks, training programs, employee evaluations, requests for reasonable accommodation	1 year from date decision was made not to hire individual 1 year from date of personnel action or date record is made (whichever is later) 1 year from date of involuntary termination
Americans with Disabilities Act (ADA)	Applications, job advertisements, documents related to hiring, firing, transfer, demotions, promotions, layoffs, payroll records, job descriptions, employment handbooks, training programs, employee evaluations, requests for reasonable accommodation	1 year from date of personnel action or date record is made (whichever is later) 1 year from date of involuntary termination
Civil Rights Act of 1964 – Title VII	Applications, job advertisements, documents related to hiring, firing, transfer, demotions, promotions, layoffs, payroll records, job descriptions, employment handbooks, training programs, employee evaluations, requests for reasonable accommodation A chronological listing of the names, addresses, gender, and minority group identification of all applicants for an apprenticeship program, including any test papers and interview notes	1 year from date of personnel action or date record is made (whichever is later) 1 year from date of involuntary termination 2 years or program length, whichever is greater
Consolidated Omnibus Budget	Copies of all COBRA required	COBRA regulations do not

Return to Index

Relevant Legal Authority	Type of Record	Retention Period
Reconciliation Act of 1985 (COBRA)	notices; any valid documentation or signed acknowledgments that the notices were received by the employee/qualified beneficiary; detailed documentation related to any instance in which COBRA continuation is not offered due to gross misconduct, late notification, Medicare entitlement, etc.; all related correspondence	specify a record keeping period. Since COBRA amended ERISA, it is generally recommended that records be maintained for six years from the date of record, in accordance with ERISA requirements.
Employment Retirement Income Security Act (ERISA)	Benefit plan documents, disclosure of plan description, annual reports and summary of annual reports, summary plan descriptions, and all recorded information used in compiling required reports (such as vouchers, worksheets, receipts, applicable resolutions, and participants' elections and deferrals)	Generally 6 years from filing (or date would have been filed but for exemption or simplified reporting requirement)
Equal Pay Act of 1963 (EPA)	Any records which relate to the payment of wages, wage rates, job evaluations, job descriptions, merit systems, seniority systems, collective bargaining agreements, description of practices or other matters which describe or which explain the basis for payment of any wage differential to employees of the opposite sex in the same establishment	2 years
Executive Order 11246 (Affirmative Action)	EEO-1 Reports VETS-100 Reports Applications for employment (Affirmative Action employers with 150 or more employees) Applications for employment (Affirmative Action employers with less than 150 employees or contracts of less than \$150,000) Written affirmative action plans including supporting documentation, analyses, and	1 year 1 to 2 years, depending on employer size 2 years from the date of filling the position 1 year from the date of filling the position 2 years

Return to Index

Relevant Legal Authority	Type of Record	Retention Period
	<p>related records or raw data; tests given to employees including documents on their use and validation studies</p> <p>Personnel or employment records</p>	<p>2 years from the date of the making of the record or personnel action</p>
<p>Executive Order 11246 (Affirmative Action)</p> <p>(Continued)</p>	<p>Internal complaints and termination information for individuals with disabilities, disabled veterans, and veterans of the Vietnam era; includes all records concerning the actions taken and responses to such complaints and actions</p>	<p>1 year from termination of employment</p>
<p>Fair Labor Standards Act (FLSA)</p>	<p>Payroll and other records that contain name, address, Social Security number, date of hire, and date of termination, collective bargaining agreements, individual contracts, written FLSA agreements, sales and purchase records, certificates and notices</p> <p>Time each workday began and ended, time each meal period began and ended, total hours worked in each day and each week, rate of pay and wages paid during each pay period, amount of and reason for each deduction from wages, and daily output of an employee not paid on an elapsed time basis</p> <p>Certificates authorizing payment at less than minimum wage</p> <p>All employment records of apprentices in a program for skilled trades under which the employer pays a sub-minimum wage</p> <p>Employees that are minors:</p>	<p>3 years from termination of employment</p> <p>Certain supplemental records, including time cards, need only be kept for 2 years from termination or 3 years from the making of the record.</p> <p>3 years from termination of employment</p> <p>3 years from the termination date of the program</p> <p>3 years from termination of</p>

Return to Index

Relevant Legal Authority	Type of Record	Retention Period
	<p>Name, home address and date of birth; certificate of age; dates of hire/termination; times each workday began and ended; times of daily meal period(s); total hours worked each day/week; pay rate for each pay period, amount of each deduction and reason, output of employee if paid other than on an elapsed time basis</p> <p>Employees that are student learners: copies of employment applications; certificates authorizing the employment of student learners; payroll records; and a notation of occupation</p>	<p>employment</p> <p>3 years from termination of employment</p>
Family and Medical Leave Act (FMLA)	Medical certifications and related medical information; type of leave taken; dates or hours of leave taken; name, position, and pay rate of person on leave; copies of all notices given to or received from employee; documents describing employee benefits and status; records of any dispute between employer and employee	3 years from the date the leave ended
Internal Revenue Code	Tax and Social Security records such as income tax withholding, Social Security, unemployment compensation, and advanced date earned income credit payments	4 years from date of filing
Immigration Reform and Control Act (IRCA)	Form I-9 for terminated employees (All current employees hired since Nov. 6, 1996 must have an I-9 on file.)	Three years from the date of completion or 1 year from termination of employment, whichever is later
Occupational Safety and Health Act (OSHA)	<p>OSHA 300 Log, the privacy case list (if one exists), the annual summary, and the OSHA 301 Incident Report forms</p> <p>Noise exposure measurements</p>	<p>5 years following the end of the calendar year that these records cover</p> <p>2 years minimum</p>

Relevant Legal Authority	Type of Record	Retention Period
	<p>Audiometric exams</p> <p>Material Safety Data Sheets (MSDS) containing physical and health hazards of each hazardous substance used in the workplace</p> <p>Medical records of employees for employers subject to OSHA standards including but not limited to asbestos, benzene, cadmium, formaldehyde, and occupational exposures to bloodborne pathogens</p> <p>Employee medical records concerning the health status of an employee including medical and employment questionnaires or histories; results of medical examinations or laboratory tests, medical opinions, diagnoses, progress notes, and recommendations; first aid records and the results of physical examinations considered in connection with any personnel action</p>	<p>Duration of employment plus 30 years from termination of employment</p> <p>30 years from the date the substance was last received in the workplace</p> <p>Duration of employment plus 30 years from termination of employment.</p> <p>Duration of employment plus 30 years from termination of employment (Exception: For persons employed less than one year, medical records need not be retained if provided to employee upon termination.)</p>
<p>Omnibus Transportation Employee Testing Act of 1991</p>	<p>Verified positive controlled substance test results, documentation of refusal to submit to required tests, driver evaluations and referrals, controlled substance testing program administration, and calendar year summary of drug test results</p> <p>Records from previous employers concerning drug and alcohol test results of employees</p> <p>Education and training of screening test technicians, supervisors, and trainers</p>	<p>5 years from making of the record</p> <p>3 years from receiving records from previous employers</p> <p>Maintain while the individual is performing the function and for 2 years after the individual</p>

Return to Index

Relevant Legal Authority	Type of Record	Retention Period
	Negative and canceled drug tests	leaves the function 1 year from test date
Paperwork Reduction Act of 1980	<p>Job applications, resumes or any other form of employment inquiry, including records pertaining to the failure or refusal to hire any individual, records pertaining to promotion, demotion, transfer, selection for training, layoff, recall, or discharge of any employee, job orders to employment agencies or labor organizations, test papers completed by applicants or candidates for any position which disclose the results of any employer-administered aptitude or other employment test considered by the employer in connection with any personnel action, any advertisements or notices to the public or to employees relating to job openings, promotions, training programs, or opportunities for overtime work</p> <p>For employers not covered by federal drug testing rules, verified positive controlled substance test results used to deny employment</p> <p>Employee benefit plan descriptions such as pension and insurance plans, and seniority systems and merit systems</p>	<p>1 year from the date of filling the position, or until final disposition of enforcement action</p> <p>(Note: If an employer is a federal contractor or subcontractor, all employment applications should be retained for the employer's current year and the prior affirmative action program year.)</p> <p>1 year from the date of filling the position, or until final disposition of enforcement action</p> <p>Full period that the plan or system is in effect plus 1 year after termination, or until final disposition of enforcement action</p>

Carnegie's employment personnel files reside at the P Street location. Departments may keep certain supplementary data and information. When this occurs, this material is considered supplementary to official personnel records. Carnegie's policy is to maintain all personnel records in a secure location with controlled access.

Grant-Related Records

The Institution's policy is to comply with OMB Circular A-110, and any related requirements, with respect to the retention of grant records. In addition, if any particular non-federal grant has additional requirements, the Institution will comply with those requirements. Information concerning grant requirements is included in Section C. Grants and Awards.

Under OMB Circular A-110, financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of the submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual report, as authorized by the Federal awarding agency.

An exception to the three-year period exists if any litigation, claim, or audit is started before the expiration of the 3-year period. In that circumstance, the records shall be retained until all litigation, claims, or audit findings involving records have been resolved and final action taken.

Records for real property and equipment acquired with Federal funds shall be retained for three years after final disposition of the equipment.

Indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates) must be maintained for a minimum of three years. With respect to the calculation of the retention period:

1. If the recipient submits to the Federal awarding agency or the subrecipient submits to the recipient the proposal, plan, or other computation to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts on the date of such submission.
2. If the recipient is not required to submit to the Federal awarding agency or the subrecipient is not required to submit to the recipient the proposal, plan, or other computation for negotiation purposes, then the 3-year retention period for the proposal, plan, or other computation and its supporting records starts at the end of the fiscal year covered by the proposal, plan, or other computation.

All Carnegie employees are advised that the Federal awarding agency, the Inspector General, Comptroller General of the United States, or any of their duly authorized representatives, have the right of timely and unrestricted access to any books, documents, papers, or other records of recipients that are pertinent to the awards, in order to make audits, examinations, excerpts, transcripts, and copies of such documents. The right also includes timely and reasonable access to a recipient's personnel for the purpose of interview and discussion related to such documents. The rights of access in this paragraph are not limited to the required retention period, but shall last as long as the records are retained.

Contract-Related Records

On occasion, Carnegie may act as a contractor to a federal agency or to another entity. Under those circumstances, Carnegie follows the record retention requirements under the federal acquisition records. In general, Carnegie shall make available records, which includes books, documents,

Return to Index

accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form, and other supporting evidence to satisfy contract negotiation, administration, and audit requirements of the contracting agencies and the Comptroller General for 3 years after final payment or, for certain records a specified period as noted below.

Carnegie shall make available the foregoing records and supporting evidence for a longer period of time than is required if --

- (1) A retention period longer than that cited in 4.703(a) is specified in any contract clause; or
- (2) The contractor, for its own purposes, retains the foregoing records and supporting evidence for a longer period. Under this circumstance, the retention period shall be the period of the contractor's retention or 3 years after final payment, whichever period expires first.
- (3) The contractor does not meet the original due date for submission of final indirect cost rate proposals. Under these circumstances, the retention periods in shall be automatically extended one day for each day the proposal is not submitted after the original due date.

The retention periods in are calculated from the end of the contractor's fiscal year in which an entry is made charging or allocating a cost to a Government contract or subcontract. If a specific record contains a series of entries, the retention period is calculated from the end of Carnegie's fiscal year in which the final entry is made.

The federal acquisition regulations have their own retention requirements for accounting, financial, and other records, as follows:

- (a) Accounts receivable invoices, adjustments to the accounts, invoice registers, carrier freight bills, shipping orders, and other documents which detail the material or services billed on the related invoices: Retain 4 years.
- (b) Material, work order, or service order files, consisting of purchase requisitions or purchase orders for material or services, or orders for transfer of material or supplies: Retain 4 years.
- (c) Cash advance recapitulations, prepared as posting entries to accounts receivable ledgers for amounts of expense vouchers prepared for employees' travel and related expenses: Retain 4 years.
- (d) Paid, canceled, and voided checks, other than those issued for the payment of salary and wages: Retain 4 years.
- (e) Accounts payable records to support disbursements of funds for materials, equipment, supplies, and services, containing originals or copies of the following and related documents: remittance advices and statements, vendors' invoices, invoice audits and distribution slips, receiving and inspection reports or comparable certifications of receipt and inspection of material or services, and debit and credit memoranda: Retain 4 years.
- (f) Labor cost distribution cards or equivalent documents: Retain 2 years.
- (g) Petty cash records showing description of expenditures, to whom paid, name of person authorizing payment, and date, including copies of vouchers and other supporting documents: Retain 2 years.
- (h) Payroll sheets, registers, or their equivalent, of salaries and wages paid to individual employees for each payroll period; change slips; and tax withholding statements: Retain 4 years.
- (i) Clock cards or other time and attendance cards: Retain 2 years.
- (j) Paid checks, receipts for wages paid in cash, or other evidence of payments for services rendered by employees: Retain 2 years.

Return to Index

- (k) Store requisitions for materials, supplies, equipment, and services: Retain 2 years.
- (l) Work orders for maintenance and other services: Retain 4 years.
- (m) Equipment records, consisting of equipment usage and status reports and equipment repair orders: Retain 4 years.
- (n) Expendable property records, reflecting accountability for the receipt and use of material in the performance of a contract: Retain 4 years.
- (o) Receiving and inspection report records, consisting of reports reflecting receipt and inspection of supplies, equipment, and materials: Retain 4 years.
- (p) Purchase order files for supplies, equipment, material, or services used in the performance of a contract; supporting documentation and backup files including, but not limited to, invoices, and memoranda; *e.g.*, memoranda of negotiations showing the principal elements of subcontract price negotiations: Retain 4 years.
- (q) Production records of quality control, reliability, and inspection: Retain 4 years

Organizational Records

The following organizational records should be retained indefinitely:

1. Organizational charter/articles of incorporation
2. By-laws
3. Deeds and easements
4. Minutes from Board of Directors' meetings
5. IRS determination letters

Additional Records

Patent and Trademark Records

Patent records, including copies of licensing agreements, trademarks, and registration applications should be kept indefinitely.

Additional Guidance

If a lawsuit or other proceeding involving the Carnegie Institution is reasonably foreseeable, all destruction of any possibly relevant documents, even if outside the retention periods specified above, must cease immediately. Documents relating to the lawsuit or potential legal issue will then be retained and organized under the supervision of legal counsel. Any questions concerning this possibility should be initially directed to the Director, Administration and Finance.