

Policy for Financial Records Retention

Policy Statement

Mount Sinai School of Medicine, recognizes its responsibility to its donors, sponsors, regulatory bodies, the academic community and the public to ensure the preservation of records documenting the activities of the Institution. To that end, Mount Sinai has created an institutional Records Management program that covers all official records created or received by the institution, including financial records. In addition, the Department of Finance has created the following policy for the collection, preservation and maintenance of records concerning the financial operation of the Institution.

Financial records retention policies and practices have been established to provide consistent operational practices among the various units and to ensure compliance with government regulations. Mount Sinai School of Medicine conducts business under the rules and regulations of federal, state and local municipalities. Policies and practices must adhere to government regulatory costing principles, such as those contained in the Office of Management and Budget ([OMB Circular No. A-21, "Cost Principles for Educational Institutions,"](#) as well as internal Institution accounting policies and practices. In September 1995, the Institution incorporated federal Cost Accounting Standards (CAS). Consequently all records and documentation of the Institution's compliance with CAS are required to be maintained in the same manner as other financial records described. Federal Acquisition Regulations (FAR) 4.7 and 52.2-5 and [OMB Circular No. A-133](#)

specifically require documented policies and procedures regarding the retention of records.

Related Policies

- [Cost Transfer Policy for Sponsored Programs](#) (Memorandum 176)
- [Mount Sinai School of Medicine Travel Expense Reimbursement Policy](#) (Memorandum 115E)

Purpose

Retaining records serves two purposes. In the short term, it provides those responsible for management with the means to monitor transactions and resolve problems. In the long term, it enables the Institution to comply with Federal Acquisition Regulations, the Internal Revenue Service regulations and other federal, state and local regulations governing auditability.

Applicability

Institutional financial records are Institutional property and include: annual reports, budget and financial statements, government contracts produced or received, gifts and donor agreements, spreadsheets or other software programs that document calculations, memoranda, correspondence, planning documents and receipts, e-mail messages to the extent they authorize or provide substantiating information, or other documentation of individual entries made in the transaction of its business. This policy applies to all original documentation supporting the accuracy, applicability and method of calculation for all financial entries.

This policy applies to all forms of storage media, including: paper, microfilm, microfiche and/or jackets, aperture cards, optical disks, CD ROM, 8mm or other magnetic tape, computer drive, any size diskette or other magnetic, film or optical media.

This policy applies to financial records in all units at Mount Sinai School of Medicine.

Records Retention

It is the responsibility of departments to designate a person to be responsible for financial records. Many departments designate the Departmental Administrator. The designated person should have appropriate knowledge of and access to departmental financial data.

Legal and Audit Requirements

When requirements for long-term retention of records overlap, the responsible office should retain records for the maximum period needed to meet both legal and audit requirements.

Management Information

When a central office has retention responsibility, the department initiating a transaction may discard copies of documentation supporting the transaction when it is no longer needed for management purposes. For example, after the transaction is complete and the expenditure statement containing the transaction has been reviewed, departments may dispose of documents as all documentation supporting financial

transactions are scanned by School Finance and are available online.

Media

Documents may be stored on the most efficient and effective media available as long as the long-term availability and usefulness of the records are maintained, and the viability and accuracy of the transfer to the alternative media are ensured. This may entail, for example, ensuring that the software and hardware necessary to read any magnetic media are available in working order for the duration of the required retention period. Responsible departments should work in partnership with their computing systems provider to ensure usability of archived data.

Electronic Transactions

When the source documentation for a transaction is electronic, generally the School Finance Department is responsible for retaining the transaction record.

Paper Documents

When the source documentation for a transaction is paper, the office that receives the original document is responsible for either scanning it and submitting it to School Finance along with any other documentation required for approval of the transaction or sending the physical documentation to School Finance for scanning. Once scanned, School Finance will be responsible for retention.

Documents Retained Centrally by the Institution

Most financial documents, either original or archival media, are maintained by School Finance. These records do not need to be duplicated in other offices. If you are unsure whether a particular document is retained centrally, contact School Finance at 646.605.4009.

Retaining Records at an Off-site Location

In order to safeguard the assets of the School in the case of extreme physical disaster, some records of permanent or long-term value may be stored in secure off-site locations. Generally, School Finance has this responsibility for all financial transaction documentation and will arrange for the appropriate off-site storage of their financial records. For more information on off-site storage vendors contact School Purchasing.

All records, regardless of media, should be stored in containers capable of surviving the storage period while maintaining the physical integrity of the records. Containers should be clearly labeled with a description of the contents, the responsible department, the origination date and the disposal date. For advice on the proper storage of records, contact the Mount Sinai Records Management program at 212-241-7239.

Methods of Disposal

At the end of the required retention period, financial records may be disposed of unless they support current audit or litigation. Documents containing personal information, such as

a name or social security number that could identify any individual member of the School community, must be destroyed in a secure manner, such as shredding.

Confidentiality

In order to safeguard the privacy of individuals, documents that contain salary information are treated in a highly confidential manner. Access to these documents is only allowed on a need-to-know basis with the written approval of the Payroll Director. Once their retention period has expired (if applicable), the documents will be disposed of in a secure manner.

Contact

Questions concerning this policy or its intent should be directed to:

Sean Mariano, Associate Director of Finance, 646.605.4009.

1. [Appendix B - Departments Responsible for Retention of Electronic Records as of 12/31/07](#)

A. Appendix B - Departments Responsible for Retention of Electronic Records as of 11/30/96

Responsible Department	Record Type
Accounts Payable	Original entries and supporting documentation for: <ul style="list-style-type: none"> • allocation of American Express purchases to the appropriate general ledger centers and accounts
Medical Center Payroll and Parking Services	Original entries and supporting documentation for: <ul style="list-style-type: none"> • individual parking deductions
Facilities Management Services (FMS)	Original entries and supporting documentation for: <ul style="list-style-type: none"> • billings for project management services
Telecommunications	Original entries and supporting documentation for: <ul style="list-style-type: none"> • telephone installation, repair or removal • regular line and equipment charges, including cellular phones • message unit, long distance and other per call charges

<p>Academic Computing and/or Information Technology</p>	<p>Original entries and supporting documentation for:</p> <ul style="list-style-type: none"> • usage and/or printing from Computing Services hardware charged to departmental accounts • services provided for the repair or installation of computing equipment charged to departmental accounts • services provided for the activation of campus network outlets charged to departmental accounts 	
<p>Originating Service Center</p>	<p>Original entries and supporting documentation for:</p> <ul style="list-style-type: none"> • services and equipment charged to departmental accounts 	
<p>Medical Center Payroll Medical Center Accounts Payable Originating Department School Finance</p>	<p>Original entries and supporting documentation for:</p> <ul style="list-style-type: none"> • distribution of all employee payments, taxes and benefits (HRIS) • Accounts Payable invoice transactions • Accounts Receivable invoice, payment and reconciling transactions • Miscellaneous journal entries, both keyed at external locations and keyed internally • Cash deposits (non-student receivables) 	
<p>Medical Education</p>	<p>Original entries and supporting documentation for:</p> <ul style="list-style-type: none"> • distribution of all student-related transactions, including tuition, financial aid, housing, dining and any other items processed via the SIS/SAR system 	
<p>Development</p>	<p>Original entries and supporting documentation for:</p> <ul style="list-style-type: none"> • gifts to the Institution 	

Grants and Contracts Office

Original entries and supporting documentation for:

- cost transfers
- miscellaneous correcting entries
- research budgets
- Sponsored Research Overhead distribution
- final, signed contracts, grants and other sponsor agreements or amendments
- financial and administrative reports required by research sponsors or regulatory agencies