

## **Retention Periods for Business and Financial Records**

### **I. Record Retention Based on Funding Source**

#### **A. Gifts and Endowments**

Copies of all donor documents (including gift agreements or documents relating to donor intent) shall be provided to the Shared Services Center or Endowment Team in Financial Operations at the time a request to establish an expendable gift or endowment chartfield is submitted.

Agreements relating to an Endowment and all supporting documents expressing donor intent are to be maintained in endowment permanent files in Financial Operations' vault and copies made available online via the university's imaging tool.

Gift records, such as donor correspondence, documentation on expenditures not stored in the central imaging system, selections for a scholarship/professorship recipient, or similar documentation shall be maintained for a period of seven (7) years from the time of receipt or until the donor's gift has been fully spent, whichever is longer. This includes both expendable gifts (i.e., gifts for which the donated proceeds may be spent, such as gifts for the Expendable Restricted Fund, Plant Fund, and Student Loan Fund) and gifts for which only income earned on the invested gift proceeds may be spent (e.g., Endowment).

#### **B. Sponsored Programs**

Financial records (electronic, paper and other), supporting documents and all other records pertinent to sponsored activities administered under the terms and conditions of a grant or contract agreement shall be retained for a period of three (3) years from the date of submission of the final expenditure report. This time period is measured from the final project ending date extended by any amendments or modifications or for awards that are renewed quarterly or annually, from the date of submission of the quarterly or annual financial report except as otherwise stated therein. Departments/principal investigators are responsible for being aware of any specific language in a contract that dictates the length of record retention.

Records for real property and equipment acquired with federal funds shall be retained for seven (7) years after final disposition of such property and equipment.

#### **C. Non-sponsored Operating Funds**

The non-sponsored funding sources, consisting of Designated Fund, General Fund, and Auxiliary Activity Fund activities, require record retention of the current fiscal year plus the two (2) prior fiscal years. In addition, there may be additional record retention requirements for records of these funds due for specialized types of activities (e.g., recharge, use of merchant credit card, taxable sales, etc.).

## II. Record Retention Based on Activity

### A. Recharge Units

Because these units may bill sponsored programs or other restricted funds, recharge units are required to meet the retention periods for the fund area being charged. Records to be retained include, but not be limited to, user requisitions and pricing methods. Any charges that recharge units cannot produce supporting documentation for are subject to reversal.

### B. Sales Tax

For those activities subject to sales tax, sales records and other supporting documentation shall be retained for seven (7) years from the related fiscal year-end. Specific questions regarding these retention periods and records should be directed to the [Tax Department](#). Please review your disposal plans with the Tax Department before implementation. Refer to the [Michigan Sales and Use Tax SPG](#) for additional information.

### C. Unrelated Business Income

For those activities subject to Unrelated Business Income Tax (UBIT), supporting documentation of their activities shall be retained for seven (7) years from the related fiscal year-end. Supporting documents include, but are not limited to, contracts, equipment purchases, equipment depreciation worksheets, income and expense analysis worksheets, recharging records, and supporting records for any income or expense claimed on the Federal Unrelated Business Income tax return. Specific questions regarding these time periods and records should be directed to the [Tax Department](#). Please review your disposal plans with the Tax Department before implementation. Refer to the [Sales of Goods and Services to Non-university Entities and Federal Unrelated Business Income SPG](#) for additional information.

### D. Human Resources (personnel)

Personnel records should be maintained for a period of seven (7) years beyond the date of separation of employment (e.g., retirement, voluntary or involuntary termination from the University, etc.) of the employee from the university.

University Human Resources maintains a personnel record for each university employee, see [Personnel Records - Collection, Retention and Release](#).

Departments that originate documents that are included in personnel records (e.g., performance evaluations) should forward the documents to University Human Resources (via email with imaged document, or by campus mail for paper) and should not retain a copy.

### E. Financial Aid

Unit Financial Aid records, such as documentation identifying decisions on how and why students and amounts were determined that are not already maintained in the central imaging system shall be retained for three (3) years following the student's graduation/attendance, consistent with Federal guidelines.

F. Capital Projects

Documentation related to capital projects such as contracts, invoices, and requisitions, shall be retained for a minimum of seven (7) years from the completion of the project. Architecture, Engineering, and Construction (AEC) maintains all construction contracts, invoices, and requisitions for AEC managed projects. Schools, colleges, and units that manage their own capital projects should maintain all documentation for projects not managed by AEC.

Capital projects that are tax-exempt debt financed must retain this same documentation for the life of the bond plus three (3) years as well as any bond-related documentation. This includes the bond agreement, investments related to the bonds, arbitrage compliance, and all expenditures and assets that were constructed and/or acquired with bond proceeds. Finance maintains all above documentation except construction contracts, invoices and requisitions, and expenditure data. Those items are maintained by either AEC or the unit, depending on which area is managing the project. Electronic documentation, such as imaging, will suffice for documentation requirements.

G. Procurement Transactions

Any documentation associated with procurement transactions processed by Procurement Services or payable transactions processed by the Shared Services Center is maintained centrally, including transactions that meet the university's competitive bid limit and all contracts. University staff with delegated contractual signature authority per [SPG 601.24](#) are responsible for maintaining appropriate documentation consistent with the guidelines in this SPG.

For Travel and Business Hosting Expense transactions, all documentation required per [SPG 507.10-1](#) that is submitted through the expenses reporting tool or as a shortcode hosting transaction processed through the Shared Services Center is maintained centrally.

H. Merchant Credit Card Services

Departments must retain copies of any PCI compliance support documentation for one year after their merchant account is closed. Refer to the [Treasury Services: Banking, Debt Issuance and Credit Card Acceptance SPG](#) for additional information. Departments should also refer to their Merchant Policy for receipt retention requirements in case of transaction disputes.

I. Payroll

The University Payroll Office retains time reports for seven (7) fiscal years plus the current fiscal year. Departments using internal time documents signed by staff members must retain these documents for seven (7) fiscal years plus the current fiscal year. Departments that transcribe hours into the central M-Pathways Human Capital Management (HCM) database or into departmental electronic timekeeping systems that interface into HCM database must retain the hardcopy documents for seven (7) fiscal years plus the current fiscal year. Refer to the [Payroll Controls SPG](#) for additional information.

### III. Other

- A. Departments are responsible for record retention for certain human resource records. For details, refer to the SPGs for [Recruitment and Employment](#), and [Personnel Records - Collection, Retention and Release](#).
- B. For guidelines related to tuition support for U-M staff, refer to the [Tuition Support Program SPG](#). The completed Tuition Support Request, whether granted or denied, is retained by the unit and forwarded as part of the staff member's file should he or she transfer to another unit.
- C. Departments billing students through the university's central Student Account Billing System should refer to their Departmental Billing Agreement for retention guidance.
- D. Since data collected through the Human Subject Incentive Program (HSIP) system is stored in a secure central location, departments should not keep this data at their location. Refer to the [Research Subject Incentives SPG](#) for additional information.
- E. Required retention periods may be extended in certain circumstances, such as in the case of unresolved audits or court proceedings.
- F. Related Policies
  - [SPG 601.08-1, Identification, Maintenance, and Preservation of Digital Records Created by University of Michigan](#)
  - [SPG 601.11, Privacy and the Need to Monitor and Access Records](#)
  - [SPG 601.12 Institutional Data Resource Management Policy](#)
  - [SPG 601.27, Information Security](#)
  - [SPG 602.05 Use and Release of Donor and Alumni Information](#)

### IV. University Archives

- A. At the conclusion of the record retention period, transfer items with historical significance to the University Archives. For information about determining historical significance and the archive process, refer to the [Bentley Historical Library's Records Management Program Manual](#) and the [University Archives and Records SPG](#).