

RECORDS MANAGEMENT PROCEDURES

I. INTRODUCTION.

Metro 4 and SESARM have developed these Records Management Procedures pursuant to the Metro 4/SESARM Records Management Policies. Proper records management is not only a grant recipient requirement, it is also necessary for legal and operational reasons. Maintaining documents and files for proper timeframes or in perpetuity provides historical information that will be of value as questions arise about past practices and situations.

II. DEFINITIONS.

- A. "Active records" are records necessary to support the ongoing business of the corporation.
- B. "Confidential data" is information protected by statute, regulation, or contractual language or that is of a personal nature and for which distribution, publication, or other release is not legally required and would be inappropriate. Confidential data shall include but not be limited to Social Security numbers, driver's licenses, other personal identification numbers, other personal identity information, bank account statements and related personal and corporate financial information, and any data so deemed by a court of competent jurisdiction or by Metro 4/SESARM management.
- C. "Confidential records" are records containing confidential data for which special care shall be exercised when gathering, storing, and discarding said records.
- D. "Disposal" means the legal transfer or destruction of records, either of which renders records no longer in the possession of Metro 4/SESARM.
- E. "Federal awarding agency" means any federal agency that has provided or is preparing to provide a grant award to Metro 4 or SESARM.
- F. "Files" include all depositories for records created for the purpose of retaining information obtained in the course of conducting corporation business. Files may be in paper or electronic format.
- G. "Financial records" include budgets, invoices, payment documentation, bank deposit slips and receipts, bank statements, tax returns, electronic financial management system data, audit reports, and other associated documentation relevant to the receipt and expenditure of funds by Metro 4 and/or SESARM.
- H. "Grant records" include applications, work plans, grant awards and amendments, closeout reports, grant audits, and associated correspondence.

- I. "Inactive records" are records no longer necessary to support the ongoing business of Metro 4/SESARM but that require retention for legal, grant management, and/or future reference reasons for a prescribed or indefinite period of time.
- J. "Personnel records" include position descriptions, documentation of hiring, employment agreements, evaluations, commendations, disciplinary actions, and personnel history summaries.
- K. "Procurement records" include all necessary documentation for individual purchases including purchase receipts. Larger procurements requiring competitive bidding or where competitive bidding is chosen as the procurement method shall include, as applicable, requests for proposal, solicitations for bids, proposals from prospective contractors, contractor selection reports, sole source justifications, cost and price analyses, and contracts.
- L. "Quality assurance records" include Quality Management Plans, Quality Assurance Project Plans as applicable, periodic quality system assessments if required, and correspondence with EPA
- M. "Records" include documentation of any activity where it is necessary or desirable that information be gathered and managed for a prescribed period of time. Records may be stored in traditional paper files as well as within computer data bases; in electronic files stored on personal computers, external storage devices, or offsite cloud-based remote file servers; and other storage methods designed for the purpose of securing and retaining information.
- N. "Records custodian" refers to the Administrative/Financial Specialist or other person designated by Metro 4/SESARM as being responsible for retaining, managing, and disposing of records.
- O. "Retention period" refers to the timeframe during which records shall be managed and maintained in the custody of the Metro 4/SESARM staff.

III. APPLICABILITY.

- A. These Metro 4/SESARM Records Management Procedures are intended to meet all legal and federal grant requirements and to establish practical procedures for retention and disposal of all information produced in the course of normal Metro 4/SESARM work. These procedures and associated policies attempt to balance the benefits of retaining records that materially support grants, technical reports, receipts, expenditures, and other critical activities with the substantial costs and efforts of organizing, indexing, storing, maintaining, and retrieving such records.

- B. These procedures shall be applicable to specific records and/or groups of records produced in the course of conducting corporation business, as delineated herein. Specific records shall include but not be limited to:
1. Financial records;
 2. Grant records;
 3. Personnel records;
 4. Procurement records;
 5. Quality assurance records;
 6. Event records for meetings, workshops, and conferences hosted by Metro 4/SESARM including associated contracts, agendas, and invoices;
 7. Office operations records including, where applicable, lease agreements, business license filings, and inventories; and
 8. Corporate records including articles of incorporation, bylaws and amendments, Board of Directors' meeting minutes, policies and procedures, audits, tax returns, reports, and other records of critical significance to Metro 4/SESARM.

IV. RECORDS RETENTION AND DISPOSAL PROCEDURES.

- A. General Expectations.
1. Metro 4 and SESARM shall identify and properly manage all records that are necessary to comply with Internal Revenue Service, federal grant recipient, and good corporate governance requirements.
 2. Metro 4 and SESARM shall ensure that all required records are maintained in organized and logical working files and archival systems.
 3. All officers, directors, employees, and other representatives of Metro 4 and SESARM shall, at all times, adhere to these Records Management Procedures and associated policies, shall assume personal responsibility for all files assigned to a specific individual, and shall manage and protect them in a manner consistent with the requirements herein.
 4. The Executive Director of Metro 4/SESARM shall be designated as the official file custodian unless that responsibility has been delegated by the Executive Director to another Metro 4/SESARM representative.

5. The official file custodian shall bear full responsibility for implementation of Metro 4/SESARM Records Management Policies and Procedures and conformance to their requirements and shall so instruct all other Metro 4/SESARM representatives as to their respective obligations.
 6. An individual Metro 4/SESARM staff person may be designated as the file custodian for a specific working file, group of files, and/or file category.
 7. An officer, director, employee, or other representative of Metro 4 and/or SESARM shall promptly report to appropriate lines of authority within Metro 4/SESARM any irregularity in records retention and disposal that might subject Metro 4 and/or SESARM and/or its staff and agents to legal and/or financial liability, as soon as is practicable after becoming aware of said irregularity.
- B. Document and File Types and Storage.
1. Documents may take the form of letters, memos, reports, contracts, spreadsheets, presentations, and other similar forms.
 2. Metro 4 and SESARM shall maintain records in an appropriate filing system which may include standard paper and/or secure electronic files.
 - a. Paper Files.
 - i. Metro 4/SESARM staff shall store paper files in file cabinets and archive boxes at their official workplaces.
 - ii. Production of paper documents is discouraged and all existing and future critical paper files should be scanned and stored on Metro 4/SESARM's secure cloud-based servers.
 - b. Electronic Files.
 - i. Electronic files may be stored onsite on a computer hard drive, USB drive, external hard drive, or other legacy or emerging storage medium.
 - ii. Electronic files may also be stored offsite utilizing the cloud-based services of a provider serving many users through Internet access.
 - iii. The Metro 4/SESARM Executive Director shall be responsible for implementing a system to routinely create backups of electronic files (both onsite and offsite) for redundancy purposes.

- iv. When using cloud-based storage options, Metro 4/SESARM staff shall diligently evaluate security and backup frequency factors before securing a business arrangement for such services.

C. File Security.

1. Critical and confidential paper documents shall be maintained in locked cabinets when they may be subject to access by unauthorized individuals.
2. Electronic documents shall be maintained in data storage systems that are password-protected, either through desktop or laptop security, or through a password-protected personal account within the document storage system.
3. Reasonable, practical efforts shall be made to protect records against theft, fire, other loss, alteration, and destruction for the prescribed timeframes and in accordance with other requirements described herein.
4. Metro 4/SESARM staff shall discipline themselves to adhere to a regimen of regular backups of data where automated backups are not available.
5. Metro 4/SESARM staff and other representatives may take files offsite in situations where such action is necessary, such as for a meeting, for audit and tax return preparation purposes, or when a temporary remote work location has been authorized but, in such cases, extreme care shall be taken to provide adequate security and protection to such records in order to assure that critical records are maintained in their original condition.

V. RECORDS RETENTION SCHEDULE AND OTHER REQUIREMENTS.

The following records retention procedures shall apply:

A. IRS Tax Records.

1. Metro 4 and SESARM must be able to document their sources of receipts and expenditures as reported on IRS Form 990. In the absence of being able to do so, Metro 4 and SESARM may not be able to show continuing qualifications as tax exempt or public charities and they may not be able to provide accurate information to the IRS. In addition to losing applicable 501 (c) (6) or 501 (c) (3) status, incorrect information may be filed on tax returns and a corporation may become subject to penalties.
2. The following IRS web site, <https://www.irs.gov/businesses/small-businesses-self-employed/how-long-should-i-keep-records>, contains record-retention requirements supporting tax return data. This web page, or any succeeding web page the IRS may

develop, should be reviewed periodically to ensure that current requirements are known and met.

3. Generally, records supporting reported income and deductions on a tax return should be retained until the period of limitations for that return expires. The period of limitations is defined as the period of time during which the return can be amended to claim a credit or refund or the IRS can assess additional taxes. The period of limitations begins the date the tax return was filed, or if filed early, the due date for filing. The period length can vary by circumstance—consult the IRS web site—but is at least three years long.

B. EPA Grant Records.

1. 2 CFR 215 is entitled *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*. These requirements were formerly found in OMB Circular A-110. This regulation contains records retention requirements applicable to Metro 4 and SESARM including the following:
 - a. Financial records, supporting documents, statistical records, and all other records pertinent to a grant award shall be retained for a period of three years from the date of 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 financial report, as authorized by the federal awarding agency. The only exceptions are the following:
 - i. If any litigation, claim, or audit is started before the expiration of the three-year period, the grant recipient shall retain the records until all litigation, claims, and/or audit findings involving the records have been resolved and final action taken.
 - ii. Grant recipients shall retain records for real property and equipment acquired with federal funds for three years after final disposition.
 - iii. When records are transferred to, or maintained by, the federal awarding agency, the 3-year retention requirement is not applicable to Metro 4 or SESARM.
 - iv. Indirect cost rate proposals and cost allocations plans, where applicable, shall conform to Section V. C. below.
 - b. SESARM may substitute copies of original records for the original records if authorized by the federal awarding agency.

- c. The federal awarding agency may request transfer of certain records to its custody when it determines that the records possess long-term retention value to the agency. However, in order to avoid duplicate recordkeeping, a federal awarding agency may make arrangements for Metro 4 or SESARM to retain any records that are continuously needed for joint use.
- d. The federal awarding agency, the Inspector General of that agency, the Comptroller General of the United States, or any of their duly authorized representatives, have the right of timely and unrestricted access to any Metro 4/SESARM books, documents, papers, and other records that are pertinent to a grant award, in order to conduct audits and examinations and/or review excerpts, transcripts, and/or copies of such documents. This right also includes timely and reasonable access to Metro 4/SESARM's personnel for the purpose of interviews and discussions related to such documents. The rights of access in this paragraph are not limited to the specified records retention period, but shall last as long as such records are retained.

C. Indirect Cost Records.

The following requirements shall apply to indirect cost rate computations and 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).

1. If Metro 4 or SESARM submits to the federal awarding agency or a sub-recipient submits to Metro 4 or SESARM a proposal, plan, or other computation to form the basis for negotiation of an indirect cost rate, then the 3-year retention period for its supporting records shall start on the date of such submission.
2. If Metro 4 or SESARM is not required to submit to the federal awarding agency or a sub-recipient is not required to submit to Metro 4 or SESARM a 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 shall start at the end of the fiscal year or other accounting period covered by the proposal, plan, or other computation.

D. Other Records.

Metro 4 and SESARM shall maintain non-tax records for as long as they are needed for non-tax purposes. A federal awarding agency making grant awards to Metro 4 or SESARM may require that certain records be kept longer than the IRS requires. In all such cases, Metro 4 and SESARM shall retain and properly manage such records until the longest required records retention requirement has been met.

E. Record Retention in Perpetuity.

Metro 4 and SESARM shall retain certain records permanently including the application for tax-exempt status; the letter determining tax-exempt status; organizing documents including articles of incorporation, bylaws, and amendments; minutes of Board meetings; audit reports; and tax returns.

F. Records Retention Schedule Table

The records custodian shall create and maintain a Records Retention Schedule Table to ensure that all records are properly managed, maintained, and retained. The Records Retention Schedule Table shall include record type, authority (i.e., the underlying requirement for the specified retention practices), retention period, and record location.

VI. RECORDS DISPOSITION.

- A. Records disposition shall be the responsibility of the Metro 4/SESARM records custodian, in consultation with other Metro 4/SESARM staff and other parties with validated interests in the records.
- B. The records custodian shall review annually the records management requirements of this policy and the Records Retention Schedule Table to determine which records qualify for disposition through transfer or destruction.
- C. The records custodian shall initiate records disposition subject to available resources including staffing, funding, available file space, and other pertinent considerations.
- D. Nothing in these Records Management Policies and Procedures shall require records to be disposed on a firm schedule. The corporation shall have the ability to extend the retention of any of its records for any purpose or due to a lack of disposition resources.
- E. Prior to disposing of records, files shall be evaluated to confirm that they have been held for the minimum amount of time prescribed in these Policies and Procedures and that they are no longer needed pursuant to the provisions herein.
- F. When paper records qualify for disposition, those containing confidential data or sensitive corporate information shall be segregated and shredded. If a shredding service is to be utilized to shred all records, segregation of files and separation of documents containing confidential data shall not be required.
- G. When electronic records qualify for disposition, those containing confidential or sensitive corporate information shall be destroyed via physical destruction of storage media such as by shredding, crushing, or incineration; high-level overwriting that renders the data unrecoverable; or degaussing/demagnetizing.

- H. A file shall be maintained of records disposal activities including the date, method of disposition, and description of the records disposed.

VII. PUBLIC INSPECTION OF RECORDS.

- A. Metro 4 and SESARM shall comply with the applicable portions of IRS Publication 557 or any succeeding document, which outlines requirements for public inspection of records held by tax exempt organizations. The IRS requires that Metro 4 and SESARM make available applications for tax exempt status, all supporting information for the applications that is not confidential business information, and the IRS determinations. Metro 4 and SESARM shall also make available their annual Form 990 tax returns filed with the IRS.
- B. There may be other requirements for public inspection of records under the statutes and regulations of the state(s) where Metro 4 and SESARM are incorporated and operating. In all cases, Metro 4 and SESARM shall comply with all applicable requirements.
- C. Metro 4 and SESARM shall make available required documents for public inspection without charge other than reasonable charges for searching, review, and reproduction. Reasonable restrictions may be established governing the time, place, and manner of in-person review and copying of documents. Metro 4 and SESARM shall not charge rates for copying support that exceed IRS maximum rates for copying documents as specified in IRS Internal Revenue Manual, Title 11, Section 11.3.5, or any succeeding manual on the topic, partially summarized below. Please see the full cited document for details.

Type of Request	Type of Charge	Price
Commercial requesters	Copying charges (paper)	\$0.20 per page.
	Production of electronic copies	Fees may not be charged for reproducing electronic documents totaling less than 1,000 actual pages.
	Search charges	\$50 per hour or fraction of an hour. Charges for computer searches may include search time expended by employees plus the actual direct costs to Metro 4/SESARM for performing the electronic search such as computer search time, runs, and the operator's salary.
	Review charges	Hourly salary rate of reviewing person.

Type of Request	Type of Charge	Price
	Minimum charge	No fee charged if total charges are less than \$25.
Media requesters	Copying charges	No charge for first 100 pages; \$0.20 per page thereafter.
	Search and review charges	No fee charged for these services.
	Minimum charge	No fee charged if total charges are less than \$25.
Educational or non-commercial scientific institution requesters	Copying charges	No charge for first 100 pages; \$0.20 per page thereafter.
	Minimum charge	No fee charged if total charges are less than \$25.
Other requestors (individuals seeking records for their own use)	Copying charges	No charge for first 100 pages; \$0.20 per page thereafter.
	Search charges	No charge for first 2 hours (or equivalent computer search cost); \$50 per hour or fraction of an hour plus any direct electronic search costs thereafter.
	Minimum charge	No fee charged if total charges are less than \$25.
Other Charges		Fees may be assessed at actual cost for any request that requires special services or materials.

VIII. CERTIFICATION AND SIGNATURE.

This certifies that these Records Management Procedures have been prepared for the exclusive use of Metro 4 and SESARM, that they will be made available to all Metro 4/SESARM staff and the Metro 4 and SESARM Boards of Directors, and that the requirements herein will be explained in adequate detail to ensure that all Metro 4/SESARM staff and representatives are aware of, comply with, and fully implement them.

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