

THE WORKFORCE BOARD OF NORTHERN COOK COUNTY

LOCAL AREA WIA Policy 2010 – Contractor Record Retention Policy and Procedures

TO: ALL WIA CONTRACTORS

FROM: _____
Jennifer Stasch
Executive Director

SUBJECT: Contractor Record Retention Policy and Procedures

DATE: March 1, 2010

Purpose: The purpose of this letter is to update and clarify the policy and procedures for Contractor retention of records related to activities and services conducted with WIA and other funds under the Workforce Board of Northern Cook County (Workforce Board) contracts.

References: OMB Circular A-110
OMB Circular A-102
U.S. Department of Labor Regulations (29 CFR Part 37)
Illinois Department of Commerce and Economic Opportunity (DCEO) policy

Background: The Workforce Board is releasing Contractor Record Retention Policy and Procedures in order to ensure accountability for records resulting from activities and services conducted with WIA and other funds contracted by the Workforce Board. Some of the reasons to keep files and records include legal requirements and/or compliance with governing rules, potential relevance in future litigation, and the needs of the organization, as well as historic importance.

Policy

Statement: Minimum record retention requirements are established as part of an effective internal and external control program to ensure that Contractors and the Workforce Board can provide the documents requested by any federal, state and local agencies within the statutes of limitations.

In general, the Workforce Board requires that Contractors maintain records for at least the minimum periods but encourages Contractors to retain records for at least one-year longer than the minimum requirement. The Contractor will comply with all Workforce Board requirements and other processes and procedures in place from time to time, for record retention.

Workforce Board Contractor Record Retention Policy and Procedures

As part of effective internal controls, Contractors should establish and monitor their own Record Retention Policy and Procedures. At a minimum, Contractors must adhere to the standards identified in the Workforce Board's Record Retention Policy. The Contractor's record retention responsibilities are outlined in this document.

1. Complete and accurate record retention process summary

- a. Contractor maintains records in a suitable location based on the nature of the documents and filed in a manner supporting ease of access.
- b. Contractor maintains records for at least the minimum required retention period.
- c. Periodically contractor reviews record maintenance, retention and access to ensure security and that policy and procedures are being followed.
- d. Following the record retention period, Contractor purges documents in appropriate manner.

2. Record retention policy and time periods

- a. Contractor will carry out proper procedures for record maintenance, retention, and access to records in all major areas including agenda and minutes of open meetings, contracts, participant records, fiscal management and documentation in accordance with OMB Circular A-110.
- b. Contractor will be responsible for establishing and maintaining adequate accounting books, records and controls sufficient to accurately track and report all financial transactions related to work performed, and costs incurred, under the Agreement with the Workforce Board.
- c. Contractor will keep and maintain original source documents as evidence of all work performed, and costs incurred. All records, data or information related to the Agreement with the Workforce Board are to be retained separately and distinctively from the records pertaining to other operations of the Contractor.
- d. Where records having one retention period cannot be separated from records having a longer retention period, both records should be retained for the longer period.
- e. Contractor will maintain all financial, statistical, property, applicant and participant records, and all applicable supporting documentation for a period of three (3) years subsequent to the date the Contractor submits its final Grant expenditure report, close-out package, or the date all audits are complete and findings on all claims have been finally resolved, which ever occurs last.
- f. OMB Circular A-110.53 states:
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 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 records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken;
 - ii. Records for real property and equipment acquired with Federal funds shall be retained for three years after final disposition;

- iii. When records are transferred to or maintained by the Federal awarding agency, the three-year retention requirement is not applicable to the Workforce Board; and
- iv. Indirect cost rate proposals, cost allocations plans, etc.
- g. Contractor will hold a written record of documents maintained, location retained, and document purge dates.
- h. In the event the Contractor becomes unable to retain the required WIA participant and financial records, the records must be immediately transferred to the Workforce Board's possession. Such records must be transmitted to the Workforce Board for acceptance in an orderly fashion with documents properly labeled and filed in an acceptable condition for storage. In the event the Workforce Board is unable to accept the required WIA participant and financial records, the records must be immediately transferred to DCEO or its designee.
- i. No records should be disposed of without the prior written approval of the Workforce Board designated staff.
- j. Contractor, during normal business hours and upon written request, will make available and provide access to any and all books and records pertaining to Contractor's performance of work and/or costs billed under the Agreement with the Workforce Board, to the Workforce Board, DCEO, Federal Funding or Regulatory Agencies and/or their designees. Such right to audit will correspond with the above referenced record retention period for the Contractor.
- k. In case of doubt, authorization for release or review of any public records generated fully or as part of the Contractor's Agreement with the Workforce Board should be directed to the Workforce Board executive staff.

3. WIA Applicant and Registrant Customer File Maintenance

- a. Contractors must maintain hard copy customer files containing documents and forms in an appropriate storage space that ensures security and confidentiality.
- b. Access to customer file information should be restricted to authorized entities associated with the operation and performance of workforce programs.
- c. Customer medical information should be recorded on separate forms and stored separately from main program files. To ensure confidentiality, access to these separate medical files should be limited to direct program managers. Such medical information may include, but is not limited to the following;
 - i. Insurance application forms
 - ii. Health certificates or certifications
 - iii. Physical exam results
 - iv. Medical assessment results
 - v. Medical history records
 - vi. Illinois State Board of Education Individualized Education Plan (IEP)

4. Consequences of non-compliance with record retention policy

- a. Failure to comply with proper record maintenance, retention and access, may result in the Workforce Board terminating the Agreement with the Contractor and ensuring record retention for the required periods at the expense of the Contractor.
- b. Failure or refusal by the Contractor to provide Workforce Board review of the Contractor's record retention location and processes may result in the Workforce Board terminating the Agreement with the Contractor and initiating action to ensure proper record retention for the required periods at the expense of the Contractor.

5. Tracking record retention

- a. Contractor will track its record maintenance and retention processes, location, and accessibility.
- b. If Contractor employee misconduct occurs in matters of record maintenance and retention and results in improper purging, improper release of information, or other violations of record retention security, the Contractor must immediately notify the Workforce Board designated staff.

Action

Required: This information should be disseminated to Contractor program and fiscal staff.

Inquiries: Questions regarding any aspect of this policy should be directed to the Workforce Board's Executive Director.

Effective

Date: Immediately