Office of the Comptroller One Ashburton Place 9th Floor Boston, MA 02108	Commonwealth of Massachusetts	Operational Services Division One Ashburton Place 10th Floor Boston, MA 02108
Joint Policy:	**Records Management**	
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Records Management Policy

Executive Summary

This policy is issued jointly by the Office of the Comptroller and the Operational Services Division (OSD). This policy describes department responsibilities relating to Records Management related to fiscal activities, including contracts. Departments must manage the conservation and destruction of all records, including contract and fiscal records, in accordance with statewide records retention schedules and procedures for transferring, destroying, and archiving records; and appropriate state agency procedures.

To the extent that backup documentation and wet signatures are required for any transaction in the accounting system, departments are responsible for maintaining the record copy of this documentation. Departments shall provide CTR, OSD, the State Auditor's Office, and the House and Senate Committees on Ways and Mean with full access to any requested records in their areas of responsibility. Departments must also provide record copies to other oversight groups, as appropriate. As part of the Quality Assurance Program, the Office of the Comptroller will review compliance with records management requirements (under 815 CMR 10.00) for contract, payroll, and MMARS documents. Records management performance will be considered during CTR and OSD Quality Assurance reviews.

Considerations

Staff seeking the appropriate retention schedule should review the Records Conservation website for the latest Statewide Retention Schedule applicable for the fiscal year the documents are processed. See: Records Conservation Board Schedules and Requirements.

MMARS supports electronic signature through security; paper documents are not required under certain circumstances. Because MMARS is the Commonwealth's official record of financial activities, however, information entered into the system must be accurate and complete.

Policy

Departments are responsible for managing their own records, including records relating to payroll, contract, and fiscal activities in accordance with 815 CMR 10.00 Records Management of Bills, Vouchers and Contracts and appropriate records retention schedules. Departments can obtain the most current records retention schedules, guidelines for documenting record keeping systems, procedures, and relevant forms from Records Conservation Board Schedules and Requirements. These sources will provide departments with effective guidance for successfully managing and transferring payroll, MMARS, and other record copies.

Information that appears in MMARS is the "official record" or "record copy" of fiscal activities. It supercedes paper or other formats of the same information. MMARS is the accounting system used to record and report on the Commonwealth's fiscal activities, therefore, the information entered into MMARS

must be accurate and complete. Departments are audited based upon what appears in MMARS, not paper backups of MMARS documents.

Department Head Signature Authorization (DHSA) for fiscal activities is tied to MMARS security. MMARS Administrators who have DHSA can process documents within their functional areas on-line to "final" status with no written approvals. An Administrator who has DHSA may also approve documents within his or her functional area for individuals with Administrator security (but without DHSA). A MMARS Administrator without DHSA must obtain document signoff by a MMARS Administrator with DHSA PRIOR to processing a document to final status.

Electronic Signatures

Electronic signatures are limited to MMARS documents and certain Comm-PASS documents. ***Electronic signatures can not yet be used for contracts, amendments or Tax Identification Form including, but not limited to the Commonwealth Standard Contract Form, Standard Contract Amendment Form or the Commonwealth Terms and Conditions.*** However, OSD does allow, for Comm-PASS subscribers that are submitting a bid electronically, the electronic submission and signature of other forms as long as final contract execution includes wet ink signatures on the *Commonwealth Standard Contract, Standard Contract Amendment, Commonwealth Terms and Conditions, Authorized Signatory Listing and MA-W9 Forms.*

Contracts must contain "wet" signatures. Although state law authorizes electronic signatures, the Commonwealth is in the process of developing standards for using electronic signatures. The Supervisor of Public Records and the Records Conservation Board, in cooperation with the Information Technology Division (ITD) and CTR, will issue these standards.

Electronic signature and electronic records management applies only to documents processed in MMARS and Comm-PASS RFR submissions. The Office of the Comptroller is the record keeper of electronic MMARS documents; however, departments are the record keeper of all backup documentation. Departments must retain materials used to support documents processed electronically. For example, the Payment Request Commodity document (PRC), the General Accounting Expense or Non Commodity Payment Request document (GAX), or Incidental Payment Request document (INP) may be generated, stored, and approved electronically.

As a result, a hard copy of the transaction may not exist. For review purposes, auditors, oversight agencies, and other reviewers will access MMARS to review the accuracy, authorization, and set-up of documents. Departments must continue to maintain files of the back-up documentation used to support these documents. Auditors will also test these materials. To match MMARS documents with the relevant supporting documentation, departments can use the **MMARS Document Records Management/Authorized Signature Form**. This form records the document ID and Department Head Signature Authorization (if applicable).

MMARS Document Records Management/Authorized Signature Form

Individuals with administrator level security, but without DHSA, can use the MMARS Document Records Management /Authorized Signature Form to obtain the signature of a department head authorized signatory for documents that they will be processing. This form may also be used for records management purposes to match supporting documentation with the MMARS document ID of an electronically processed document.

Payroll Documentation

The following list includes some examples of the types of documentation to be retained for payroll and human resource (HR) purposes. Departments are required to keep all human resource (HR) and payroll related documentation confidential and in a secured location accessible only to personnel required to enter HR or payroll related transactions and adjustments.

- Time and attendance records signed by employee and supervisor, including hours worked and leave taken;
- Posting to cumulative records;
- Signed contracts describing scope of services and rate to be paid to contract employees;
- Proper allocation or distribution of employees' time and cost to applicable department;
- Hiring letters or appointment documentation;
- Payroll certifications; and approvals where necessary;
- W-4 Forms and other documentation related to tax deductions;
- Voluntary and Involuntary payroll deduction or garnishment forms, including direct deposit, deferred compensation programs, Dependent Care Assistance forms, Insurance forms and changes, reimbursement requests;
- back up documentation related to payroll activities, changes or adjustments;
- Employment claims, grievances, law suites and resolution documentation;
- Performance reviews; and
- Any other documentation related to employment.

Procurement/Contract File Contents

During the life of the contract, additional information, which may be maintained electronically unless the original or a written signature is required, will be added to the procurement file. This is in addition to documents regarding the procurement process and contract execution. The file should be an accurate representation of all the facts, circumstances and details of both the procurement and ongoing contract performance/management. Please see the policy document entitled *How to Conduct a Procurement* for information about creating a procurement file.

Note: Comm-PASS supports file versioning and file segregation, which can reduce the amount of paper files. As long as an electronic version exists and does not contain information which is exempt from public record law, e.g., bank routing codes, department users can upload files to either the contract's Forms and Terms page or the Vendor(s) detail page. If a file must be replaced or updated, the previous versions will be retained within the record's Amendment History located on the Other Information page.

Contract management related documents may include:

- Copies of all invoices or where located (electronic or manual as required internally), including rejected invoices and notices to contractor with reasons for rejection.
- An accounting of all payments made or where located (electronic or manual).
- Copies of any written notices or other faxes, memoranda or correspondence with the contractor.
- Documentation related to contractor legal name change or material change in identity, including the *Change in Contractor Identity Form*, if applicable.
- Contract amendments and related transactions, if applicable.
- *Purchase Order for Commodities and/or Services,* if applicable.
- Documentation of contract monitoring and evaluation activities, such as performance reports, satisfaction surveys, site visit or audit documents, etc.
- Affirmative Market Program (AMP) Plans and vendor SOMWBA certification letters, if applicable.
- Information related to any contract disputes, including resolution.

- Documentation identifying any default, breach or unsatisfactory performance (notice should identify language in the contract detailing performance requirements and how the contractor is failing to comply).
- Any other information or documentation about the contractor and contract performance that the contract manager deems relevant.
- Documentation related to negotiations pertaining to options to renew.

Documentation Requirements for Incidental Purchases

Purchases that do not exceed the incidental purchase limit and are not available from a statewide contract may be done without a competitive procurement. The encumbrance transaction for incidental purchases is the GAE (General Accounting Encumbrance document) and the payment transaction is the INP (Incidental Payment document). For most incidental purchases, only the invoice is required. On the other hand, departments may determine it is in their best interest to execute a *Commonwealth Terms and Conditions* and *Standard Contract Form*. If they elect to do a CT (Contract Encumbrance document), RPO (Recurring Payment Order), or PC (Commodity Purchase Order), then both of these forms are required. Each department should develop internal controls on procurement and documentation that are appropriate to the nature of incidental purchases that the department is likely to encounter. Please see the associated guidance entitled *Incidental Purchasing Policy Guidance,* available via a link at the end of this document.

Chief Fiscal Officer (CFO) Official Fiscal Recordkeeper

While the above guidance provides examples of the various types of documentation that should be retained, it is not all-inclusive. Remember that all transactions must be supported by detailed information. Departments will need to review the specific CTR or OSD policies and procedures for each type of activity to determine the unique requirements for record keeping.

Pursuant to 815 CMR 10.00, the Chief Fiscal Officer (CFO) for a department will be the official fiscal Record Copy Keeper and shall be responsible for administering financial and payroll records within his or her department. These records shall be maintained in accordance with 815 CMR 10.00 and the policies and procedures published by the Office of the Comptroller and the Records Conservation Board.

Retention Period

Records that are subject to audit must be retained for the appropriate period after the *resolution of the results of the audit* (i.e. when the finding is resolved). This refers to the Statewide Single Audit as well as audits performed by the State Auditor. Consideration should also be given to federal records retention requirements for federal programs administered by the Commonwealth. As long as records are stored in a controlled, off-site storage location (e.g. State Records Center) and can be easily retrieved, departments can ship them to the State Records Center (or similar facility) at the end of the fiscal year or audit cycle, as appropriate.

Internal Controls

The documentation of a department's records management policy is an important component of a department's internal controls. One area warranting especially careful consideration is the "**Department Head Signature Authorization and Electronic Signature**" policy. While the ability to approve documents electronically enhances the department's ability to operate efficiently, it presents risks. Departments must carefully consider and design controls to provide management with the assurance that all transactions processed are proper and have been authorized by those with official Department Head Signature Authorization (DHSA).

Information Sources

Related Procedure – Massachusetts Statewide Records Retention Procedures and Schedule
Related Policy

- Statewide Records Retention Schedule
- Key State Finance Law Compliance Appointments and Responsibilities

- Department Head Signature Authorization and Electronic Signature for MMARS Documents
- Contracts Policies
- Accounts Payable Policies
- OSD Procurement Information Center (PIC)
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- Legal Authority
    - M.G.L. c. 30, § 42
    - M.G.L. c. 66, § 1
    - M.G.L. c. 66, § 8
    - M.G.L. c. 9, § 2
    - M.G.L. c. 4, §7 (twenty-sixth)
    - M.G.L. c. 7A (Office of the Comptroller); M.G.L. c. 29 (State Finance Law);
    - M.G.L. c. 110F (Uniform Electronic Transactions Act); M.G.L. c. 30, § 65 (Legal Services);
    - M.G.L. c. 29, § 29D (Debt Collection); M.G.L. c. 29, § 29E (Revenue Maximization);
    - M.G.L. c. 30, § 27 (Revenue Receipt); M.G.L. c. 10, § 17B (Revenue Receipt); Massachusetts Constitution Article LXIII Section 1 (Revenue Receipt);
    - M.G.L c. 7, § 22 (OSD – Commodities and Services) ; M.G.L. c. 30, §. 51; (OSD – Commodities and Services) M.G.L. c. 30, §. 52; (OSD – Commodities and Services)
    - M.G.L. c. 29, §. 29A (Consultants) (Level III – Executive only);
    - M.G..L. c. 29, §. 29B (Human/Social Services) (Level III - Executive only)
    - Comptroller regulations (815 CMR 2.00 10.00);
    - 815 CMR 10.00 Records Management of Bills, Vouchers and Contracts
    - Comptroller Regulations (815 CMR 2.00 10.00);

- Attachments
    - Records Conservation forms
- Links
    - (State Archives and most current version of the statewide records retention schedule) http://www.sec.state.ma.us/arc/arcidx.htm
- Contacts - CTR Help Desk
- OSC Web Portal Homepage

Revisions

- November 1, 2005. Updates to reflect joint issuance of policy with OSD concurrent with launch of Procurement Information Center (PIC).