



Fiscal Management Policies

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I. General

A. Purpose

The purpose of this Fiscal Management Policies document is to define and state uniform policies and standards as required for the effective and secure fiscal management of all activities conducted by Snohomish County Transportation Coalition (Snotrac). The organization should use the Fiscal Management Policies in combination with all other Snotrac policies.

B. Background and Intent

This organization is chartered with the full expectation that it pursue best practices in the management of its affairs, including the exercise of fiduciary care over all resources made available to the organization to carry out its work. The Board of Directors has delegated responsibility to the Executive Director for appropriate fiscal management designed to ensure quality and accountability in all systems.

While this policy document sets forth uniform policies and standards for operations, it is improbable that all activities or situations can be anticipated. It is incumbent on all employees and others who serve the organization to always act in the best interest of Snotrac and to exercise appropriate fiduciary care in the use and management of all Snotrac resources.

It is intended that the implementation of this policy statement will, in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) standards, ensure the organization meets or exceeds the high standard expected.

C. Definitions

As utilized herein, the terms identified shall mean:

1. Board: The body of official members of Snotrac Board of Directors.
2. Executive Director: The Executive Director of Snotrac.
3. Program Manager: Employee who carries out managerial duties within a department or program of the organization including responsibility over budgets and employees.

II. Jurisdiction

Responsibility for the implementation of fiscal management policies, and for the development of procedures necessary to carry them out, is hereby delegated to the Executive Director. The Executive Director shall review this policy not less than once each year and make recommendations for appropriate modifications.

III. Financial Standards

A. Revenue and Depositories

1. All incoming cash received by Snotrac shall be acknowledged by the use of preprinted and prenumbered Snotrac receipts, which shall be utilized in

chronological sequence. All incoming Snotrac checks and money orders shall be recorded by the employee authorized to open the mail and shall be immediately processed for deposit.

- a. All cash, checks and money orders shall be deposited, intact, to the designated Snotrac depository, except as otherwise directed by the Executive Director.
 - b. Funds shall be deposited daily to ensure proper security and maximum interest earnings. Small dollar amounts may be held in a secure location until the next appropriate deposit, but all funds regardless of size shall be deposited no less than weekly.
 - c. All numerical receipts shall be accounted for and reconciled to the deposits.
2. In the event that deposits exceed the FDIC insured limit (presently \$250,000), the Executive Director will review the financial statements of the institution for financial stability. Investment funds shall be handled as defined in Section VI.
 - a. The Executive Director shall maintain regular business communication with representatives of the depository(s) selected by Snotrac.
 - b. The Executive Director has the authority to open additional depository accounts necessary for the operation of the organization. All accounts opened require signatures of all individuals listed and approved by Board Resolutions. See Disbursements Section III B (4).
 - c. All revenues shall be credited to the appropriate fund for which they are designated, provided any revenues not designated to any other fund shall be credited to the General Fund.

B. Accounting

1. GAAP. To the greatest extent practicable, all financial matters of Snotrac shall be accounted for in accordance with the GAAP that are applicable to non-profit organizations and with other standards required by the GASB.
2. Backup of Records. Copies of accounting records shall be maintained on an online accounting system.
3. Establishment of Funds. The Executive Director shall ensure funds are established within the Snotrac accounts as needed by GAAP applicable to nonprofit organizations to track designated and/or restricted revenues and

assets. The Executive Director shall provide written instructions for any funds for which no donor or other source directive has been provided.

4. Accounting Transactions. The Executive Director shall establish procedures for the processing of accounting transactions consistent with the following policies.

- a. Disbursements. All disbursements of the organization, with the exception of Petty Cash, shall be made by check, debit card, or credit card. Checks shall be managed as follows:
 - i. Checks shall be prepared only by the Executive Director or authorized accounting personnel.
 - ii. Checks shall be made out to specified payees pursuant to approved vouchers or invoices, and shall not be made payable to cash or bearer (except checks to replenish petty cash).
 - iii. No check shall be presented to authorized check signers for signature unless completely filled out and accompanied by appropriate supporting documents. Signers shall not sign blank checks.
 - iv. Checks shall be issued under numerically controlled sequence. Checks that are spoiled or voided shall be stamped "void" in the signature portion of the check. Voided checks are to be retained in numeric sequence for audit purposes. Unused checks shall be secured and available only to authorized personnel.
 - v. Checks shall only be signed by individuals authorized as signers by Board resolution.
 1. All checks over \$5,000 require notice to a Board member with signature authorization and either (i) signature by the Executive Director or (ii) two signatures.
 2. All checks over \$20,000 shall be signed by the Executive Director and an authorized Board member.
 - vi. Disbursements shall be timed so as to maximize Snotrac cash flow while meeting payment obligations to vendors and contractors and taking advantage of available discounts, consistent with 2 CFR 200.305.

1. Snotrac shall make timely payments to contractors in accordance with contract provisions.
 2. When Snotrac grants funds to another entity for performance according to a grant agreement and Snotrac uses a reimbursement method for payment rather than prepayment, Snotrac shall make payment within 30 calendar days after receipt of a payment request unless Snotrac reasonably believes the request to be improper.
- b. Petty Cash. Petty cash funds may be established for the purpose of making change and small disbursements pursuant to the following:
- i. Each petty cash fund shall be authorized by the Executive Director, in writing. The authorization shall specify the fund's name, Custodian, location, and maximum amount.
 - ii. Petty cash funds shall be operated as imprest funds by individuals designated as the Petty Cash Custodian(s) by the Executive Director.
 - iii. Petty cash may be disbursed for small purchases, supplies and operating costs, but shall not be disbursed for payment of payroll, travel expenses, personal items or any item in excess of \$100, except as authorized by the Executive Director. These exceptions require reimbursement by check.
 - iv. A full reconciliation of the Petty Cash Fund is required before expenditures can be reimbursed. Random audits of the Petty Cash Fund will be performed as deemed necessary by the Executive Director.
- c. Credit Cards. One credit card account (VISA/MasterCard) may be maintained for the use of the organization in processing transactions either requiring the use of a credit card, or significantly more efficient through the use of a credit card. Individual cards on the one account may be in the name(s) of the Executive Director.

There are a limited number of credit accounts that may require store credit cards. These may be obtained upon approval of the Executive Director or on an as needed basis. The use of revolving charge accounts that may accrue interest is strongly discouraged. Extra store credit cards will be in the possession of the Executive Director.

- i. An inventory of all credit cards will be maintained showing which employees are in possession of credit cards.
 - ii. If a purchase is made using a credit card, the purchaser must complete a Check Request/Payment Authorization Form and submit it along with the receipt to the Executive Director, unless the purchase is made by the Executive Director.
- d. Travel.
 - i. Travel required in conjunction with Snotrac business shall be authorized, conducted and compensated in accordance with the organization's procedures.
 - ii. If an employee drives his/her private vehicle for company use, the mileage compensation shall be at the current IRS rate per mile, providing the employee maintains liability insurance on the private vehicle at the level required by the organization's insurance carrier.
- e. Payroll
 - i. Salaried payroll shall be processed and paid monthly, and hourly payroll shall be processed and paid twice per month.
 - ii. Regular Salaried Employees may receive a mid-month payroll draw, approximating 50% of their normal net pay, providing they have worked their full normal schedule for the first half of the month. Temporary employees, trainees, and staff working 20 hours or less per month are not eligible. This is considered a cash draw only and the dollar amount of the draw will show as a deduction when payroll is processed at month end.
 - iii. Special payroll advances may be made in the case of emergencies, such as a death in family or other serious emergency. Such advances may be authorized by the Executive Director. Advances are not to exceed the net payroll due the employee, and must be withheld from the employee's next paycheck.
 - iv. Payroll and payroll draws shall only be paid to employees for whom appropriate authorizations have been received pursuant to personnel policies.

- v. Payroll shall be paid only on the basis of authorized pay rates and time and attendance records certified by the employee's supervisor. Timesheets shall reflect hours worked, hours of leave taken, and the amount of time worked under all departments, programs and locations as appropriate when an employee's payroll and related costs are to be distributed to more than one revenue source.
- vi. Voluntary deductions may be taken if authorized in writing by the employee.
- vii. The Executive Director shall review all payroll tax returns to ensure all payroll tax payments have been made in a timely manner.
- viii. Distribution of payroll costs shall be as authorized by the Executive Director or the Program Manager of the employee(s) and supported by time and attendance records.

5. Obligations

- a. Obligations of Snotrac shall only be authorized by employees who have been expressly authorized to do so based on their position with Snotrac. Such obligation shall include but not be limited to payroll, travel, supplies, goods, and services.
- b. No one shall obligate Snotrac for any amount not authorized by the Snotrac approved budget (see Section III-D) without prior approval of the Executive Director or the Board of Directors.
- c. To the extent that budgets include the award of federal or other third party funds, no obligation shall be processed which would result in the charging of unauthorized or unallowable costs to such award.
- d. Any employee or agent of Snotrac who knowingly obligates Snotrac for any amount not specifically authorized by Snotrac budget and supporting award, or who is not authorized to obligate Snotrac, shall be subject to disciplinary action, including reprimand, probation, suspension, and termination, depending on the severity of the offense.

6. Internal Financial Statements. The Executive Director is responsible for establishing procedures intended to ensure timely financial statements as follows:

- a. Monthly, within 15 working days after the end of each month: Financial statements including balance sheets, statements of activities, changes in fund balances, and budget to actual reports for all funds, cost centers, and line items shall be provided to the Executive Director and the Finance Committee of the Board.
- b. Quarterly, within 15 days following the end of each calendar quarter: Financial Statements including detailed quarterly summary information, balance sheets, statements of activities, changes in fund balances, and budget to actual reports for all funds, cost centers, and line items, shall be provided to the Executive Director, Executive Committee, the Board, and other entities as required.
- c. Annually, within 45 days following the end of the Fiscal Year, unadjusted financial statements, including all appropriate notes and disclosures. Upon acceptance by the Board of Directors, such statements shall be submitted to all appropriate federal agencies and other entities.

C. Cost Allocation

1. Costs shall be allocated to cost centers and cost classes within each appropriate fund established by the Executive Director.
2. Cost centers may be established for each program or separate cost objective within each program as required.
3. The Executive Director shall establish line items costs within each cost center as needed to properly account for and report expenditures throughout the year, and consistent with needs of employees responsible for management of such budgets.
4. The Indirect Cost Rate for federal grant agreements and contracts shall be established by Snotrac's Indirect Cost Rate Policy. Indirect Cost Rate funds shall be allocated to the Unrestricted cost class.

D. Budgets

All revenues and expenditures of the organization shall be authorized in accordance with budgets approved by the Board of Directors. Such budgets are to be developed, recommended and managed by the Executive Director as follows:

1. The Executive Director, working in conjunction with management employees of the organization shall, on or before June 1 of each year, prepare, and submit a proposed budget for the succeeding fiscal year. Such budget shall include all anticipated revenues and expenditures for the fiscal year. Such budget shall be

provided in detail as to clearly identify the resources available for all programs and purposes and shall include the following:

- a. A narrative for each function or program which indicates the goals and objectives for the coming year and references to the source of funding for the function or program.
 - b. A breakdown of the sources of revenue for each program or purpose.
 - c. A summary of the anticipated expenditures for each program or cost center, as provided within Section III C-3 above.
2. Based on input of the Board of Directors and decisions of the Executive Director, the proposed budget shall be modified not later than June 15. The budget shall receive final review and approval at the Annual Board Meeting.
3. Following adoption by the Board of Directors, Program Managers having responsibility for individual budgets may proceed with authorization of expenditures for the purposes and in the amounts provided by their respective budgets.
4. The Executive Director may present recommended modifications of the budget to the Executive Committee whenever required by changes in revenue and programs. No expenditure may be authorized to proceed for any new purpose or cost center unless such purpose has been authorized through the budget.
5. Program Managers responsible for budget may, in cooperation with Executive Director, transfer budget authority from one line item to another within a cost center, provided such transfer is within authority provided by the funding agency and will not have a detrimental impact on the finances of the organization. Transfers are authorized only as follows:
 - a. Program Managers are authorized to make changes to non-personnel costs having no net effect on each cost center budget.
 - b. The Executive Director is authorized to approve personnel changes having no net effect on cost center budgets.
 - c. The Executive Director is authorized to make changes having no net effect on the total organizational budget and for amending budgets not increasing or decreasing the approved organization aggregate budget by more than 10%.

- d. For budget changes increasing or decreasing the organization's approved budget by over 10% in aggregate, approval of the Board of Directors must be obtained.
- 6. The Executive Director shall establish procedures for the preparation of the Snotrac budget, including instructions and forms needed to ensure that all needed budget development work is completed on a timely basis.
- 7. All employees who are responsible for the operation of programs and the management of budgets shall provide recommended budgets consistent with established procedures.
- 8. Budget Execution
 - a. The Executive Director shall establish procedures to implement and monitor Snotrac budgets to ensure that all employees and Program Managers responsible for budgets can obtain accurate and timely information.
 - b. All employees who are responsible for operation of programs and the management of budgets shall work cooperatively with and follow procedures established by the Executive Director.

E. Procurement

- 1. Procurement Standards
 - a. The Executive Director shall establish procedures for the procurement of goods and services necessary to carry out organization business. Procedures shall be consistent with the provisions of all applicable federal requirements and internal control practices. Employees shall not procure goods and services on behalf of Snotrac unless they have been authorized to do so.
 - b. All procurement of goods not previously included as part of the annual operating budget shall be pre-approved in writing by the Executive Director or the Board of Directors. (See Item 4 Purchase Authorizations)
 - c. The procurement of all goods and services previously approved as part of the annual operating budget shall be substantiated by use of a written Check Requests/Purchase Authorization Form.
 - d. Any goods or services acquired by Snotrac shall be subject to the organization's Procurement Policy.

- i. Competitive procurement must have records in sufficient detail including the names of potential vendors, the date of the quotations or bids and the amounts of the quotations. The Snotrac manager selecting the successful bidder shall provide a written record indicating the consideration of the offers and the decision made.
- ii. Competitive requirements for legal counsel, auditors or other professionals shall be based on specific criteria developed by the Executive Director and/or the Board of Directors. Requirements shall include, but are not limited to:
 - Area of expertise and level of nonprofit experience
 - Potential for ongoing relationship
 - Federal requirements
- iii. Competitive bids are not required when the provider of service is a governmental entity.
- iv. To the extent that any applicable procurement requirement of a funding source is more stringent than requirements provided by the policies of Snotrac, the terms of such requirements shall be binding.
- v. Procurement shall not be made from any employee or any member of the Board of Directors, except as authorized by the Executive Director and the Executive Committee of the Board of Directors.
- vi. No employee or Board member shall take part in selecting a vendor in any competitive or non-competitive procurement when such vendor is a member of the employee's or Board member's immediate family.

2. Procurement Approvals

- a. Program Managers responsible for each program's budgets, and their authorized designees, shall be the approving authority for all procurements and shall have the responsibility to carry out such procurements in accordance with these policies and such procedures as implemented by the Executive Director.

- b. All procurements shall be reviewed by the Executive Director prior to payment to ensure procurements are within approved budget, have been accomplished in accordance with established policies and procedures, and are authorized by a funding source.
- c. The Executive Director or authorized designee shall be responsible for assisting Program Managers in obtaining approvals for procurements from funding agencies when necessary.

3. Service Contracts

- a. Contracts for services that exceed \$1,000 shall be executed only by the Executive Director or authorized designee. This includes any contract billing that may exceed this amount in aggregate over a period of one year.
- b. Agreements for services not exceeding \$1,000 over one year may be processed by Program Managers using Snotrac Check Requests/Payment Authorization forms with such attachments as are considered appropriate to the circumstances.
- c. Contracts with professionals and other entities, who normally present contracts to Snotrac in the form of engagement letters, shall be submitted to the Executive Director for execution.

4. Purchase Authorizations

- a. All payment authorizations shall use the printed Snotrac Check Requests/Payment Authorizations Form.
- b. Completed Check Requests/Payment Authorizations shall include all pertinent information related to the order to ensure that delivered orders can be appropriately evaluated for completeness and consistency with the order, budget, approval and ordering authority level, and general ledger coding.
- c. Check Requests/Payment Authorizations shall not be processed without price and extension completed.
- d. Accounts may be opened with vendors with whom Snotrac has determined an open account is appropriate. Lists of all approved employees shall be maintained and approved by the Executive Director.

F. Property Management and Inventory

a. Definitions

- i. Equipment: Any single tangible, non-expendable item of personal property having a useful life of more than one year and an acquisition cost of \$10,000 or more.
- ii. Small and Attractive Asset: any single tangible, non-expendable asset with a unit cost of at least \$300. Examples include: Desktop computers; Laptops, notebook, and tablet computers; Computer monitors, projectors, and TV sets; Photographic and Videographic Cameras; Phones; Bicycles; Tools; and similar items.
- iii. Cards & Tickets of Value: cards and tickets with loadable and/or expendable value, such as Gift Cards, ORCA transit passes, and transit tickets.

- b. Policy. Snotrac shall maintain, inventory, and properly dispose of equipment and small and attractive assets purchased with federal and state funds. Snotrac shall keep equipment and small and attractive assets in good condition. Proper inventorying and maintenance is essential as Snotrac may be required by a funding agency to return all funded equipment and small and attractive assets at the time of grant closeout.

- c. Procedure. For all Equipment, Small and Attractive Assets, and Cards & Tickets of Value (referred to below simply as “assets”), Snotrac shall:

- i. Maintain and manage the assets to assure that these resources are adequate, in good condition, and available for reassignment when needed.
- ii. Comply with Snotrac’s Allowable Costs and Prior Approval Policy.
- iii. Tag all assets and enter them into Snotrac’s Inventory database upon receipt.
- iv. Maintain an up-to-date inventory in Snotrac’s Inventory database.
- v. Conduct an annual inventory review to reconcile the existence, current use, and continued need for the assets.
- vi. Note when assets are purchased, moved, broken, stolen, lost, or if a contract has ended.

- 1. For new assets, enter the following information into the Snotrac Inventory database:

- a. An item description;
 - b. The serial and model number or other identification number;
 - c. The source of property, including grant or agreement number;
 - d. Acquisition date and cost; and
 - e. Location, use or staff to whom the item is assigned, condition, and date the information was reported.
- 2. Transfer of assets with a Snotrac tag from one site to another requires provision of the following information to the Executive Director or designated Inventory Manager:
 - a. Snotrac property tag number;
 - b. Property description;
 - c. Serial number;
 - d. Condition of property; and
 - e. New location, staff to whom the item is assigned.
- 3. Disposition: Assets may not be disposed of without approval from the Executive Director or designated Inventory Manager.
 - a. Snotrac property tag number;
 - b. Property description;
 - c. Serial number; and
 - d. Date of disposal or surplus.

The above information shall be retained for at least six years after disposal or surplusing of such property.

- 4. Lost or stolen property: Any lost assets shall be reported immediately to the Executive Director or designated Inventory Manager with the following information:
 - a. An item description;
 - b. Date stolen or lost;
 - c. Last location of item being used; and
 - d. A police report for stolen items.
- vii. All other supplies and goods not classified as Equipment, Small and Attractive Assets, and Cards & Tickets of Value do not need to be monitored and inventoried per the above inventory policies.
- viii. Snotrac shall monitor quantities of brochures, giveaways, and similar items used for public outreach to understand when reorders may be necessary.

G. Borrowing

1. Borrowing shall be defined as any form of financing arrangement including but not limited to mortgages, promissory notes, general obligations, bonds, and lease agreements.
2. The Executive Director shall recommend any credit lines necessary for working capital to ensure Snotrac can meet all obligations in a timely manner and shall assist in and facilitate the negotiation of credit lines authorized by the Board of Directors.
3. The Executive Director shall review any form of financing arrangement being considered by Snotrac in order to ensure the protection of Snotrac interests and is authorized to seek the advice and consultation of Snotrac legal counsel in such matters.
4. All financing arrangements shall only be executed by the Executive Director.

H. Audits

1. Internal audits
 - a. The Executive Director shall direct or arrange for internal audits and reviews considered necessary for any and all accounting and related functions to ensure the appropriate management and protection of Snotrac assets and conformity with Snotrac policy.
 - b. Operational audits or reviews shall be conducted as necessary to ensure compliance with organization policy and provide for more effective and efficient operations. Operational audits may be conducted at the direction of the Executive Director.
 - c. The Executive Director shall inform the Executive Committee of any reviews that should be accomplished but which workload or duties prevent from being accomplished.
2. Independent audits
 - a. Under the Procurement Standards, with the assistance of the Executive Director, the Board Treasurer shall arrange for an annual audit when necessary to comply with requirements of funding sources and may otherwise arrange for an audit when deemed necessary by the Board of Directors. Such engagement shall clearly identify all reports and work anticipated and set forth all necessary information to attract a competent audit firm. Their engagement letter shall include a statement

to the effect that any questions regarding the allowability or applicability of federal costs arising out of the audit shall be cleared up, to the maximum extent possible, prior to the issuance of the auditor's report.

- b. The independent auditors report to the Board of Directors. The Board shall approve the scope of the audit work and the fee. The engagement letter shall be signed by either the Board Treasurer or by the Board President. The auditors shall keep the Board informed of the status of the audit throughout the audit process.
- c. If formal requests for proposals are required for a mandated annual audit, they shall be forwarded by September 15 to the firms selected by the Board Finance Committee. Requests shall require response not later than October 1 and shall include a provision that the auditor's draft engagement letter be a part of the response.

I. Internal Controls

No single individual should have sole control over the entire lifecycle of any financial or operational transaction. Responsibilities for authorizing transactions, handling related assets, recording transactions, and reconciling accounts should be segregated to minimize the risk of error, misuse, or fraudulent activity.

- 1. A person who collects cash or checks should not record the payments in the ledger or issue customer receipts.
- 2. A person who approves a vendor invoice should not be the person who issues the payment or signs the check.
- 3. A person responsible for payroll processing should not physically distribute the payroll checks.

To the extent permissible under its funding restrictions and its financial capacity, Snotrac shall seek to have staff with bookkeeping and administrative support functions that ensure it has sufficient capacity to segregate duties.

When a complete segregation of duties is not possible due to organizational staff size, additional internal controls should be employed, including those provisions provided in Section 4. Such controls may include:

- 1. Signing of checks by two authorized signers, including the Executive Director and a Board Officer.
- 2. Notification to a Board member of a planned expenditure.

3. Approval of debit card transactions over an established threshold.
4. Regular Board reviews and reconciliations of Balance Sheets versus bank statements and bank transactions versus Statement of Activities.
5. Regular Board review and approval of a ledger of all recent expenditures.

J. Bad Debt

Accounts Receivable balances shall be reviewed on a regular basis to reasonably ascertain their collectability. A contra-asset contingency account, such as an Allowance for Doubtful Accounts, may be set up according to GAAP to discount the value of the Accounts Receivable balance based on actual amounts or percentages as deemed appropriate. Approval to write-off any uncollected balance shall be determined for each type of Accounts Receivable as is appropriate.

IV. Insurance and Bonding

The Executive Director shall evaluate Snotrac risks and recommend levels of insurance coverage to protect Snotrac interests. The Executive Director shall seek the advice from industry professionals for adequate insurance, audit, and legal counsel as appropriate.

V. Gifts

- A. Snotrac shall accept only those gifts that it may do so legally, within the letter as well as the intent of all laws under which the organization is bound.
- B. For donations of investment securities in particular:
 1. All readily marketable securities will generally be sold in a method maximizing return through Snotrac's broker of choice on the open market. The Finance Committee shall select the broker of choice. Donations of such securities will be valued at the average price between the highest and lowest quoted selling prices on the date the donation was received by Snotrac's broker, in accordance with IRS guidelines (Publication 561).
 2. If accepted, gifts of securities that are not readily marketable will be recorded under the following conditions:
 - a. Gifts of closely held corporate stock may be carried on Snotrac's books in accordance with GAAP, or be sold as determined appropriate.
 - b. Gifts of bonds that require a holding period will be accepted and cashed when the holding period has expired.

3. Gifts of securities that will not be accepted are:
 - a. Securities that are assessable or in any way could create an unacceptable liability to Snotrac.
 - b. Securities that, by their nature, may not be assigned.
 - c. Securities that have no apparent value.
- C. Exceptions to policy may only be made as approved by the Board.

VI. Reserve Accounts

Reserve accounts shall be established as necessary to provide funds for capital needs, operating needs, or sinking funds. Various reserve accounts may be maintained including:

- A. Operating Reserve - This reserve is for use in covering revenue shortfalls in operations of properties.
- B. Replacement Reserve - This reserve is for replacement of equipment or capital assets.

Authorization for other reserves will be made by the Board of Directors.

VII. Records Retention Policy

Records shall be maintained as required by federal, state, and grantor regulations as listed in the Records Retention Schedule. Records may include hard copy and/or electronic media allowed by the regulations. Records shall be kept in a secure and confidential location, and shall only be accessed by personnel with the appropriate business responsibility and reason for access. When no longer required, records shall be disposed of in an appropriate and confidential manner, preferably shredded.