POLICY GUIDEBOOK

Record Retention Policy

Guidelines for Document Management, Storage & Compliance

Version 1.0 | Effective Date: _____

About This Policy

This Record Retention Policy establishes guidelines for the systematic management, storage, and destruction of business records. Proper record retention is essential for:

- Legal compliance with federal, state, and local regulations
- Protection during litigation, audits, and regulatory inquiries
- Efficient business operations and decision-making
- Risk management and insurance claim support
- Cost reduction through organized document management

This policy applies to all records created, received, or maintained by the organization, regardless of format (paper, electronic, or other media). All employees are responsible for understanding and following these guidelines.

Failure to comply with record retention requirements can result in legal penalties, loss of critical business information, and increased liability exposure.

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1. PURPOSE

The purpose of this Record Retention Policy is to establish a systematic approach to managing business records throughout their lifecycle. This policy ensures that records are retained for the appropriate period to meet legal, regulatory, and business requirements, and are disposed of properly when no longer needed.

- Ensure compliance with all applicable federal, state, and local laws and regulations
- Support business operations by maintaining access to necessary records
- Protect the organization during litigation, audits, and regulatory inquiries
- Reduce storage costs by eliminating unnecessary records
- Minimize risk exposure from improper record handling or premature destruction
- Establish clear responsibilities for record management across the organization

2. SCOPE

This policy applies to all records created, received, or maintained by the organization, regardless of the format or medium. This includes:

- Paper documents, files, and correspondence
- Electronic records including emails, databases, and digital files
- Financial records, contracts, and legal documents
- Personnel and human resources files
- Project documentation, specifications, and drawings
- Insurance policies, claims, and certificates
- Audio and video recordings
- Records stored on company servers, cloud storage, or third-party systems

3. DEFINITIONS

Record: Any documented information, regardless of form or medium, created or received in connection with business activities.

Retention Period: The length of time a record must be kept before it can be destroyed.

Legal Hold: A directive to preserve all records related to pending or anticipated litigation.

Destruction: The permanent elimination of records through shredding, deletion, or other approved methods.

Active Records: Records that are regularly accessed and used for current business operations.

Inactive Records: Records that are no longer needed for daily operations but must be retained.

4. RETENTION SCHEDULE

The following retention periods represent minimum requirements. Records may be kept longer if needed for ongoing business purposes. When in doubt, consult with legal counsel before destroying any records.

4.1 Financial & Tax Records

Record Type	Retention Period	Legal Reference
General Ledger & Journals	**Permanent**	IRS, State Law
Annual Financial Statements	**Permanent**	IRS, SEC
Accounts Payable/Receivable Ledgers	**7 years**	IRS Reg. 1.6001
Bank Statements & Reconciliations	**7 years**	IRS Reg. 1.6001
Cancelled Checks (significant)	**7 years**	IRS Reg. 1.6001
Cancelled Checks (routine)	**3 years**	UCC
Tax Returns & Supporting Documents	**7 years**	IRC §6501
Payroll Records & Tax Filings	**7 years**	FLSA, IRS
W-2s, 1099s, and Related Forms	**7 years**	IRS Reg. 31.6001
Expense Reports & Receipts	**7 years**	IRS Reg. 1.6001
Depreciation Schedules	**Permanent**	IRS Reg. 1.167
Audit Reports (external)	**Permanent**	Best Practice
Budgets & Forecasts	**3 years**	Internal Policy
Petty Cash Records	**3 years**	Internal Policy
Credit Card Statements	**7 years**	IRS Reg. 1.6001

Retention Period Legend: ● *Permanent* ● *7 Years* ● *3 Years or Less*

4.2 Contracts & Legal Documents

Record Type	Retention Period	Legal Reference
Executed Contracts & Agreements	10 years after expiration	Statute of Limitations
Real Estate Deeds & Titles	Permanent	Property Law
Leases (after expiration)	10 years	Statute of Limitations
Loan Documents	10 years after payoff	UCC
Patents, Trademarks, Copyrights	Permanent	IP Law
Litigation Files (closed)	10 years after resolution	Legal Counsel
Settlement Agreements	Permanent	Legal Counsel
Powers of Attorney	7 years after revocation	State Law

4.3 Corporate Records

Record Type	Retention Period	Legal Reference
Articles of Incorporation	Permanent	State Law
Bylaws & Amendments	Permanent	State Law
Board Meeting Minutes	Permanent	State Law
Shareholder Meeting Minutes	Permanent	State Law
Stock Certificates & Transfers	Permanent	State Law
Annual Reports to Shareholders	Permanent	SEC, State Law
Business Licenses & Permits	Permanent	Regulatory
Organizational Charts	Current + 5 years	Internal Policy

4.4 Human Resources Records

Record Type	Retention Period	Legal Reference
Employee Personnel Files	7 years after termination	EEOC, State Law
I-9 Forms	3 yrs from hire or 1 yr after term	IRCA
Medical/Benefits Records	6 years after termination	ERISA, HIPAA
Workers' Comp Claims	30 years after resolution	OSHA, State Law
OSHA Logs (300/300A)	5 years	29 CFR 1904.33
Training Records (Safety)	Duration of employment	OSHA
Performance Evaluations	7 years after termination	Best Practice
Job Applications (not hired)	3 years	EEOC, ADEA

4.5 Insurance Records

Record Type	Retention Period	Legal Reference
Insurance Policies (all types)	**Permanent**	Claims Protection
Certificates of Insurance	**Permanent**	Claims Protection
Claims Files (closed)	**10 years after resolution**	Statute of Limitations
Loss Runs & Claims History	**Permanent**	Best Practice
Safety Inspection Reports	**10 years**	OSHA, Insurance
Accident/Incident Reports	**30 years**	OSHA, WC Laws
Property Appraisals	**Life of asset + 7 years**	IRS, Insurance
Fleet/Vehicle Records	**Life of vehicle + 7 years**	DOT, Insurance

IMPORTANT: Insurance Policy Retention

Keep ALL insurance policies permanently. Claims can arise years after a policy expires, especially for occurrence-based coverage. Without the original policy, coverage cannot be verified or invoked.

4.6 Project & Construction Records

Record Type	Retention Period	Legal Reference
Contracts & Subcontracts	**10 years after completion**	Statute of Limitations
Change Orders	**10 years after completion**	Statute of Limitations
Drawings & Specifications (final)	**Life of structure**	Best Practice
Shop Drawings & Submittals	**10 years after completion**	Best Practice
Daily Logs & Reports	**10 years after completion**	Best Practice
Inspection Reports	**Life of structure**	Code Compliance
Permits & Certificates of Occupancy	**Life of structure**	Code Compliance
Warranties & Guarantees	**Warranty period + 5 years**	Contract Terms
RFIs and Correspondence	**10 years after completion**	Best Practice
Payment Applications & Lien Waivers	**10 years after completion**	Lien Law

5. ELECTRONIC RECORDS MANAGEMENT

Electronic records are subject to the same retention requirements as paper records. Additional considerations apply to ensure integrity, accessibility, and proper disposition of digital information.

5.1 Email Retention

- Business-critical emails should be saved to appropriate folders or document management systems
- Routine communications may be deleted after 90 days unless related to ongoing matters
- Emails that constitute contracts, agreements, or legal commitments must be retained per the applicable retention period
- Auto-delete policies should not apply to emails subject to legal holds

5.2 Data Backup & Integrity

- All electronic records must be backed up regularly to prevent loss
- Backup media must be stored securely and tested periodically for data integrity
- File formats should be maintained in readable formats; migrate data as technology changes
- Metadata (creation date, author, modification history) should be preserved when possible

6. LEGAL HOLDS

A legal hold suspends all document destruction when litigation is pending or reasonably anticipated. Failure to preserve relevant documents can result in severe legal sanctions, including adverse inference instructions, monetary penalties, or case dismissal.

WARNING: Spoliation of Evidence

Destroying, altering, or failing to preserve documents after litigation is anticipated can result in:

• Criminal obstruction charges • Civil penalties • Adverse jury instructions • Case dismissal

6.1 Legal Hold Procedures

- Legal counsel will issue written legal hold notices when litigation is anticipated or filed
- All employees receiving a legal hold notice must immediately suspend destruction of relevant records
- Legal holds apply to both paper and electronic records, including emails, voicemails, and text messages
- Employees must confirm receipt of legal hold notices in writing
- Legal holds remain in effect until formally released by legal counsel

7. STORAGE & SECURITY

7.1 Physical Records

- Active records should be stored in secure, accessible locations within departments
- Inactive records may be transferred to off-site storage facilities
- Storage areas must be protected from fire, water, theft, and unauthorized access
- Confidential records require locked storage with restricted key/access card distribution
- Climate control should be maintained to prevent deterioration of paper records

7.2 Electronic Records

- Store on secure, company-approved servers or cloud storage with encryption
- Implement access controls based on job responsibilities and need-to-know
- Maintain audit trails for access to sensitive records
- Use strong passwords and multi-factor authentication where available
- Prohibit storage of company records on personal devices without IT approval

8. RECORD DESTRUCTION

Records that have met their retention period and are not subject to legal holds should be destroyed promptly and securely. Proper destruction protects confidential information and reduces storage costs.

8.1 Destruction Methods

Record Type	Approved Destruction Method
Paper - Confidential	Cross-cut shredding (min. Level P-4)
Paper - Non-confidential	Standard shredding or recycling
Electronic Media (hard drives, tapes)	Degaussing, physical destruction, or certified wiping
CDs/DVDs	Shredding or physical destruction
Email & Electronic Files	Permanent deletion with emptied recycle bins and backup purge

8.2 Destruction Documentation

- Maintain a destruction log documenting: record type, date range, destruction date, method, and authorizing party
- Obtain certificates of destruction from third-party shredding/destruction vendors
- Destruction logs should be retained permanently as proof of compliance
- Never destroy records without verifying no legal hold applies

9. ROLES & RESPONSIBILITIES

All Employees:
Understand and comply with this policy; identify records for retention; protect confidential information; immediately notify management of any legal holds.

Department Managers:
Ensure staff compliance; designate departmental records coordinators; approve record destruction requests; maintain departmental retention schedules.

Records Coordinator:
Oversee company-wide records management; maintain master retention schedule; coordinate off-site storage; manage destruction processes; conduct training.

Legal Counsel:
Issue and manage legal holds; advise on retention requirements; respond to subpoenas and discovery requests; approve policy updates.

IT Department:
Implement electronic records security; manage backup systems; ensure data integrity; support e-discovery when required.

10. COMPLIANCE & ENFORCEMENT

Compliance with this policy is mandatory for all employees. Violations may result in disciplinary action, up to and including termination of employment. Additionally, intentional destruction of records subject to legal holds may result in personal civil or criminal liability.

11. POLICY REVIEW

This policy will be reviewed annually and updated as needed to reflect changes in legal requirements, business practices, or organizational structure. The Records Coordinator is responsible for coordinating the annual review process.

POLICY APPROVAL

CEO / President: _____ Date: _____

Legal Counsel: _____ Date: _____ **Effective Date:** _____

Records Coordinator: _____ Date: _____