

# **Five Colleges, Incorporated**

## **Record Retention and Document Destruction Policy**

### Policy

Five Colleges, Incorporated retains records for the period of their immediate or current use, unless longer retention is necessary for historical reference or to comply with contractual or legal requirements. Material of historical interest should be retained in perpetuity to preserve important information about the organization.

To comply with various federal and state regulations, many records must be kept for specified periods of time. This policy establishes the minimum period for which records must be retained. Once the records have served their purpose and the regulatory requirements have been satisfied, these materials should be disposed of in an appropriate manner.

### Electronic Documents and Records

Records and documents outlined in this policy include paper, electronic files (including e-mail) and voicemail records regardless of where the document is stored, including network servers, desktop or laptop computers and handheld computers and other wireless devices with text messaging capabilities. Mail that has information that should be retained according to a 'retention schedule' should be printed and filed as would any other paper record. Each email user is responsible for retaining email containing important information.

### Document Destruction

The Treasurer is responsible for the ongoing process of identifying financial records which have met the required retention period and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding. Records containing personal or confidential information must be destroyed by shredding or otherwise permanently removing the information.

### Compliance

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

In order to eliminate accidental or innocent destruction, Five Colleges, Incorporated has the following schedule for document retention:

## Record Retention Schedule

Document	How Long to Keep (Minimum)
<b>Corporate Documents</b>	
Articles of Incorporation	permanently
Bylaws and Charter	permanently
Certificate of incorporation/corporate records to the state	permanently
Tax Exempt Status	permanently
Annual corporate filings	permanently
Minutes of the Board and governing committees	permanently
Correspondence	3 years + evaluate
Project and Program Documents Project	Completion + evaluate
<b>Financial Records</b>	
Accounts Payable including invoices	7 years
Accounts Receivable including invoices	7 years
Annual Audit Reports and Financial Statements	permanently
Annual Audit Records	7 years
Annual Plans and Budgets	7 years
Bank Statements and Reconciliations	7 years
General Ledgers including support for general	7 years
Journal entries	
Investment Records	7 years
Business Correspondence	3 years
<b>Contracts/Leases</b>	
Contracts/leases and related documents	7 years after expiration
<b>Grant Records</b>	
Original grant proposal	permanently
Grant agreement and subsequent modifications	7 years after completion
All requested IRS/grantee correspondence	7 years after completion
Final grantee reports, both financial and narrative	7 years after completion
Formal correspondence	7 years after completion
All matching support documentation	7 years after completion
<b>Payroll Records</b>	
W-2, W-4 and 1099 forms	Termination + 7 years
Time Sheets	7 years
Employee Deduction Authorizations	Termination + 7 years
Payroll Deductions	Termination + 7 years
Labor Distribution Cost Records	7 years
Payroll Registers	7 years

## Personnel Records

Employment applications	Termination + 7 years
Job Description	Termination + 7 years
Resume	Termination + 3 years
Recommendations	Termination + 7 years
Withholding information	Termination + 7 years
Employee Earnings Records	Termination + 7 years
Attendance records	Termination + 7 years
Correspondence	Termination + 7 years
Performance evaluations	Termination + 7 years
Terminations papers	Termination + 7 years
Search Documentation	3 years from hiring

## Risk Management

The following institutional records should be kept<sup>1</sup> by the College for the periods specified. This information may be incorporated into the College Records Retention Policy.

Claims	active <sup>2</sup> + 7 years
Court Documents and Records	active + 7 years
Deposition Transcripts	active + 7 years
Discovery Materials	active + 7 years
Litigation Files <sup>3</sup>	active + 7 years from conclusion
Insurance Claim Documents	active + 7 years
Release / Settlement Agreement	7 years
Property Damage Claims (including auto PD claims)	7 years
Insurance Policies	
Property Insurance Policies	permanent
Crime insurance policies	permanent
Liability Insurance Policies	permanent
Auto Liability Policies	permanent
Workers Compensation	permanent
Other insurance records (includes applications, proposals, etc.)	7 years from end of policy period
Other Risk Management Records	
Driver Credentialing Forms	7 years (employees) 7 years from date of graduation (students)
Incident report of sexual molestation	permanent (no statute of limitations)
Incident reports of bodily injury	7 years unless claim develops
Release (e.g. for gift of property)	7 years
Waivers	7 years
Other Contracts	7 years or 21 <sup>4</sup> years

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<sup>1</sup> People who are NOT the record custodian should send materials to the record custodian for retention and/or destruction in an attempt to create 'one' official college record especially when something might most appropriately end up in archives. For example, deposition transcripts are probably kept by the lawyers' office that represented the College. The final disposition of lawsuits can be very interesting historical documents and can be 'sealed' in the archives until it is appropriate to reveal them.

If the complete record is held in another office (e.g. the representing attorney noted above) the records could be destroyed when they are no longer useful, after consulting with the attorney who managed the case to ensure that the record is someplace. In some states you must file all depositions now so the courts become the custodians. Discovery materials are the same way. Once they have been handed over in discovery what the institution has is a copy. The originals would be under their own retention schedule, but the copies should be at the lawyer's office. Finally, with the new e-discovery rules it is important that once you have a preservation notice that the preservation period be over before you destroy anything and that over-rides any regular retention schedule.

<sup>2</sup> Generally in litigation matters active includes the period through all possibility of appeal in a court of law and then through the period of any settlement agreement. Contract matters in MA can be sued on for 6 years, so the rule of thumb is statute of limitations plus 1, though the statutory limit on bodily injury claims is 3 years. A settlement agreement will be 6 years. If a contract is signed "under seal" it extends the statute of limitations to 20 years which is why we should be careful to NOT include "under seal" on any documents without thinking about it. Clearly under the rule of thumb above that would extent the retention period to 21 years.

<sup>3</sup> Litigation files may be anything that is filed or part of the court's proceedings or that was exchanged between counsels are officially records of the lawyers and the client has rights to ask for those in the future. Do check with the law offices you work with so that you are comfortable that what you destroy they have or agree you don't need anymore. This arena is changing in light of the e-discovery rules.

<sup>4</sup> See footnote (1) above