



## **RECORD RETENTION AND DESTRUCTION POLICY**

**Last Updated 1/13/2021**

**Adopted by the Board 11/18/21**

### **1) Purpose**

The purpose of this Policy is to ensure that necessary records and documents of are adequately protected and maintained and to ensure that records that are no longer needed by Rockville Economic Development, Inc. (REDI) or are of no value are discarded at the proper time. This Policy is also for the purpose of aiding employees of REDI in understanding their obligations in retaining electronic documents - including e-mail, Web files, text files, sound and movie files, PDF documents, and all software or other formatted files on the cloud or on designated drives.

### **2) Policy**

This Policy represents the REDI's policy regarding the retention and disposal of records and the retention and disposal of electronic documents.

### **3) Administration**

Attached is a Record Retention Schedule that is approved as the initial maintenance, retention and disposal schedule for physical records of REDI and the retention and disposal of electronic documents. The CEO and/or designee (the "Administrator") is the officer in charge of the administration of this Policy and the implementation of processes and procedures to ensure that the Record Retention Schedule is followed. The Administrator is also authorized to: make modifications to the Record Retention Schedule from time to time to ensure that it is in compliance with local, state and federal laws and includes the appropriate document and record categories for REDI; monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this Policy.

### **4) Suspension of Record Disposal In Event of Litigation or Claims**

In the event REDI is served with any subpoena or request for documents or any employee becomes aware of a governmental investigation or audit concerning REDI or any of its programs including, but not limited to, the Maryland Women's Business Center or the commencement of any litigation against or concerning REDI, such employee shall inform the Administrator and any further disposal of documents shall be suspended until shall time as the Administrator, with the advice of counsel, determines otherwise. The Administrator shall take such steps as is necessary to promptly inform all staff of any suspension in the further disposal of documents.

### **5) Applicability**

This Policy applies to all physical records generated in the course of REDI's operation, including both original documents and reproductions. It also applies to the electronic documents described above.

The following documents are not official records and do not need to be retained:

- Drafts and Notes
- Personal documents or communications
- Purely logistical communications such as scheduling a meeting
- Polite or thoughtful expressions such as "thank you", "happy holidays", etc.
- Training manuals, books, research materials, and other publications
- Advertisements received, business cards, trade show materials, pamphlets

This Policy was approved by the Board of Directors of REDI on                     .

## RECORDS RETENTION SCHEDULE

### A. ACCOUNTING AND FINANCE

<b>Record Type</b>	<b>Retention Period</b>
Accounts Payable ledgers and schedules	7 years
Accounts Receivable ledgers and schedules	7 years
Annual Audit Reports and Financial Statements	Permanent
Annual Audit Records, including work papers and other documents that relate to the audit	7 years after completion of audit
Annual Plans and Budgets	5 years
Bank Statements and Canceled Checks	7 years
Employee Expense Reports	7 years
General Ledgers	Permanent
Interim Financial Statements	7 years
Notes Receivable ledgers and schedules	7 years
Investment Records	7 years after sale of investment
Materials supporting SBA reporting or applications	Minimum of 3 years from report/application
Credit card records (documents showing customer credit card number)*	2 years

\*Credit card record retention and destruction:

It is REDI's policy not to take a credit card number directly, and to run all payments through Square or some other similar service. In the event a number is taken, all records showing customer credit card number must be locked in a desk drawer or a file cabinet when not in immediate use by staff. If it is determined that information on a document, which contains credit card information, is necessary for retention beyond 2 years, then the credit card number will be cut out of the document.

### B. CONTRACTS

<b>Record Type</b>	<b>Retention Period</b>
Contracts and Related Correspondence (including any proposal that resulted in the contract and all other supportive documentation)	5 years after expiration or termination

### C. CORPORATE RECORDS

Record Type	Retention Period
Corporate Records (minute books, minutes of the Board and all committees, corporate seals, articles of incorporation, bylaws, annual corporate reports)	Permanent
Licenses and Permits	Permanent
Meeting Notices	1 year

### D. CORRESPONDENCE AND INTERNAL MEMORANDA

**General Principle:** Most correspondence and internal memoranda should be retained for the same period as the document they pertain to or support. For instance, a letter pertaining to a particular contract would be retained as long as the contract (5 years after expiration). It is recommended that records that support a particular project be kept with the project and take on the retention time of that particular project file.

Correspondence or memoranda that do not pertain to documents having a prescribed retention period should generally be discarded sooner. These may be divided into two general categories:

1. Those pertaining to routine matters and having no significant, lasting consequences should be discarded *within two years*. Some examples include:
  - Routine letters and notes that require no acknowledgment or follow-up, such as notes of appreciation, congratulations, letters of transmittal, and plans for meetings.
  - Form letters that require no follow-up.
  - Letters of general inquiry and replies that complete a cycle of correspondence.
  - Letters or complaints requesting specific action that have no further value after changes are made or action taken (such as name or address change).
  - Other letters of inconsequential subject matter or that definitely close correspondence to which no further reference will be necessary.
  - Chronological correspondence files.

Please note that copies of interoffice correspondence and documents where a copy will be in the originating department file should be read and destroyed, unless that information provides reference to or direction to other documents and must be kept for project traceability.

2. Those pertaining to non-routine matters or having significant lasting consequences should generally be retained permanently.

### E. ELECTRONIC DOCUMENTS

1. **Electronic Mail:** Not all email needs to be retained, depending on the subject matter.

- All e-mail—from internal or external sources—is to be deleted after 3 years, unless saved in a folder called “SAVED” or otherwise saved in an electronic or hard copy folder to support the content therein.
- Staff will strive to keep all but an insignificant minority of their e-mail related to business issues.
- REDI will archive undeleted e-mail for three years unless saved in a folder called “SAVED”, after which time the e-mail will be permanently deleted.
- Deleted emails will be retained between 14 and 30 days, and then permanently deleted.
- Staff will not store or transfer REDI related e-mail on non-work-related computers except as necessary or appropriate for REDI purposes.
- Staff will take care not to send confidential/proprietary REDI information to outside sources.
- Any e-mail staff deems vital to the performance of their job should be copied to the staff’s hard drive and printed and stored in the employee’s workspace.
- Any e-mail that needs to be retained to document approvals, modifications, or other vital information under contracts or grants should be saved in the electronic file system and printed for the hard copy file.

**2. Electronic Files**

REDI does not automatically delete electronic files beyond the dates specified in this Policy. It is the responsibility of all staff to adhere to the guidelines specified in this policy.

Electronic files in Files on the Go are kept in the Cloud. They will not be automatically deleted, so staff should be aware of the retention limits for documents and keep in compliance with this policy. Files on the Go are backed up for \_\_\_\_\_. A report can be run to identify document age. In certain cases a document will be maintained in both paper and electronic form. In such cases the official document will be the electronic document.

**F. GRANT RECORDS**

<b>Record Type</b>	<b>Retention Period</b>
Original grant proposal	7 years after completion of grant period
Grant agreement and subsequent modifications, if applicable	7 years after completion of grant period
All requested IRS/grantee correspondence including determination letters and “no change” in exempt status letters	7 years after completion of grant period
Final grantee reports, both financial and narrative	7 years after completion of grant period
All evidence of returned grant funds	7 years after completion of grant period
All pertinent formal correspondence including opinion letters of counsel	7 years after completion of grant period
Report assessment forms	7 years after completion of grant period
Documentation relating to grantee evidence of invoices and matching or challenge grants that would support grantee compliance with the grant agreement	7 years after completion of grant period

<b>Record Type</b>	<b>Retention Period</b>
Pre-grant inquiry forms and other documentation for expenditure responsibility grants	7 years after completion of grant period
Grantee work product produced with the grant funds	7 years after completion of grant period
SBA support materials for reports, applications, etc.	Minimum of 3 years

## **G. INSURANCE RECORDS**

<b>Record Type</b>	<b>Retention Period</b>
Annual Loss Summaries	10 years
Audits and Adjustments	3 years after final adjustment
Certificates Issued to REDI	Permanent
Claims Files (including correspondence, medical records, injury documentation, etc.)	Permanent
Group Insurance Plans - Active Employees	Until Plan is amended or terminated
Group Insurance Plans – Retirees	Permanent or until 6 years after death of last eligible participant
Inspections	3 years
Insurance Policies (including expired policies)	Permanent
Journal Entry Support Data	7 years
Loss Runs	10 years
Releases and Settlements	25 years

## H. LEGAL FILES AND PAPERS

<b>Record Type</b>	<b>Retention Period</b>
Legal Memoranda and Opinions (including all subject matter files)	7 years after close of matter
Litigation Files	1 year after expiration of appeals or time for filing appeals
Court Orders	Permanent
Requests for Departure from Records Retention Plan	10 years

## I. MISCELLANEOUS

<b>Record Type</b>	<b>Retention Period</b>
Consultant's Reports	2 years
Material of Historical Value (including pictures, publications)	Permanent
Policy and Procedures Manuals – Original	Current version with revision history
Policy and Procedures Manuals - Copies	Retain current version only
Annual Reports	Permanent

## J. REAL PROPERTY RECORDS

<b>Record Type</b>	<b>Retention Period</b>
Correspondence, Property Deeds, Assessments, Licenses, Rights of Way	Permanent
Original Purchase/Sale	Permanent
Property Insurance Policies for Owned Property	Permanent
Leased Property	5 years after termination

## K. TAX RECORDS

**General Principle:** Donors Forum must keep books of account or records as are sufficient to establish amount of gross income, deductions, credits, or other matters required to be shown in any such return.

These documents and records shall be kept for as long as the contents thereof may become material in the administration of federal, state, and local income, franchise, and property tax laws.

<b>Record Type</b>	<b>Retention Period</b>
Tax-Exemption Documents and Related Correspondence	Permanent
IRS Rulings	Permanent
Excise Tax Records	7 years
Payroll Tax Records	7 years
Tax Bills, Receipts, Statements	7 years
Tax Returns - Income, Franchise, Property	Permanent
Tax Workpaper Packages - Originals	7 years
Sales/Use Tax Records	7 years
Annual Information Returns - Federal and State	Permanent
IRS or other Government Audit Records	Permanent

**L. CONTRIBUTION RECORDS**

<b>Record Type</b>	<b>Retention Period</b>
Records of Contributions	5 years
REDI's or other documents evidencing terms of gifts	5 years

**M. PROGRAM AND SERVICE RECORDS**

<b>Record Type</b>	<b>Retention Period</b>
Program Materials	5 years

**N. FISCAL SPONSOR PROJECT RECORDS**

<b>Record Type</b>	<b>Retention Period</b>
Sponsorship agreements	5 years

## O. PAYROLL DOCUMENTS

<b>Record Type</b>	<b>Retention Period</b>
Employee Deduction Authorizations	4 years after termination
Payroll Deductions	Termination + 7 years
W-2 and W-4 Forms	Termination + 7 years
Garnishments, Assignments, Attachments	Termination + 7 years
Labor Distribution Cost Records	7 years
Payroll Registers (gross and net)	7 years
Time Cards/Sheets	2 years
Unclaimed Wage Records	6 years

## P. EMPLOYMENT DOCUMENTS

<b>Record Type</b>	<b>Retention Period</b>
Employee gender, address, DOB, job/occupation, pay rate, pay earned per week, hours worked, wages paid (incl. of date of payment and pay period covered)	5 years
Name, SSN, address, and any identification number for employee on work records	5 years
Personnel file, resumes, tests, advertisements, selection for training, layoff, promotion or demotion	5 years from hire date or separation date
Request for reasonable accommodations	1 year from date of record of personnel action
Employee handbooks	3 years
EEO-1 Reports	Keep a copy of the most recent report and 3 years for gender and racial classifications of employees using the categories of the federal EEO-1 report
Leave Policies	3 years
Records related to FLMA, leave requests, and related disputes	3 years
INS Form I-9	3 years after hire or 1 year after termination, whichever is later.

23232

<b>Record Type</b>	<b>Retention Period</b>
Safety Records	5 years after end of calendar year
Training records for health and safety	3 years
Records of exposure to hazardous materials and blood-borne pathogens	30 years after exposure
Medical records	Duration of employment plus 30 years, except employees who work less than one year not beyond period of employment.
Benefit plans	1 year after plan
Workers compensation records	Retain records of workplace injuries/illnesses for 5 years following end of calendar year of record
Unemployment records	2 years from date of last entry; all payroll records 5 years
Records related to claims, charges or lawsuits filed against the company	Until final disposition, including all appeals.
Advertisements for job openings	1 year
Applications for employment	1 year