PHILLIPS FREE LIBRARY

DOCUMENT RETENTION POLICY

The corporate records of Phillips Free Library are important assets. Organization records include essentially all records you produce as an employee, whether hard copy or electronic. A record may be as obvious as a memorandum, an e-mail, a contract or a case study, or something not as obvious, such as computerized desk calendar an appointment book or an expense record.

The law requires the library to maintain certain types of corporate records, usually for a specified period of time. Failure to retain those records for those minimum periods could subject you and the agency to penalties and fines, cause the loss of rights, obstruct justice, place the agency in contempt of court, or seriously disadvantage the agency in litigation.

The library requires that all employees to fully comply with any published records retention or destruction policies and schedules, provided that all employees should note the following general exception to any slated destruction schedule: If an employee believes, or the agency informs an employee, that agency records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then the employee must preserve those records until the Board of Directors determines the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records. If you believe that exception may apply, or have any question regarding the possible applicability of that exception, please contact The Executive Director.

From time to time the agency establishes retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that bear special consideration are identified below. While minimum retention periods are suggested, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention identified above, as well as any other pertinent factor.

| TYPE OF RECORD | RETENTION PERIOD |
|---|---|
| ACCOUNTING | |
| Accounts receivable subsidiary ledgers (electronic) | 7 years |
| Accounts payable subsidiary ledgers (electronic) | 7 years |
| Auditors' reports/schedules | Permanently |
| Bank deposit slips | 3 years |

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| Banking communications | 7 years |
| Budgets | 2 years |
| Cash disbursements journal | Permanently |
| Cash receipts journal | Permanently |
| Contracts, government and general (after expiration/termination | 15 years |
| Depreciation records | Permanently |
| Employee expense reports | 7 years |
| Annual financial statements | Permanently |
| Interim/internal financial statements | 3 years |
| General journal/ledger and End-of-year trial balances (electronic) | Permanently |
| Inventory lists | 7 years |
| Invoices to customers | 5 years |
| Invoices from vendors | 5 years |
| Internal audit reports | Permanently |
| Petty cash vouchers | 3 years |

AGENCY RECORDS

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|---|---|
| Annual reports | Permanently |
| Articles of Incorporation | Permanently |
| Constitution and Bylaws | Permanently |
| Board and Board Committee minutes | Permanently |
| Contracts and leases (expired) | Permanently |
| Contracts and leases (active) | Permanently |
| Deeds, mortgages and bills of sale | Permanently |
| Legal correspondence (important) | Permanently |
| Property appraisals | Permanently |

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| Property records | Permanently |
| Tax-exemption documents (IRS 1023) | Permanently |
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| INSURANCE | |
| Accident reports & claims (settled cases) | 7 years |
| Expired insurance policies | 7 years |
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| PERSONNEL | |
| Employee files (after termination) | 7 years |
| Employment applications | 3 years |
| Payroll records, summaries and tax returns | 7 years |
| Pension/profit sharing retirement plan tax | Permanently |
| Tax information, returns, & correspondence | |
| Time cards & daily reports | 7 years |
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| TAXES | |
| Income tax returns & cancelled checks | Permanently |
| Payroll tax returns | 7 years |
| Property tax returns | Permanently |
| Sales and use tax returns | 7 years |
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| PATRON RECORDS | |
| Patron Registration Cards | 3 years after last activity |

Updated and approved by Library Board of Trustees on 4/18/22