



Standard Operating Policies – SOP # 14 Record Retention and Destruction

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| Title: | Record Retention and Destruction | Effective Date: | 07/15/2021 |
| Author: | Chief Compliance Officer | Last Review Date: | 12/01/2021 |
| Location: | All Locations | Last Revision Date: | 12/01/2021 |
| Functional Area: | ADMINISTRATION | | |

POLICY

This Policy represents Liberty policy regarding the retention and disposal of records and the retention and disposal of paper and electronic documents. 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 or are of no value are discarded at the proper time. This Policy is also for the purpose of aiding Liberty Workforce members in understanding their obligations in retaining electronic documents - including email, Web files, text files, sound and movie files, PDF documents, and all Microsoft Office or other formatted files.

1. Administration

Attached as Appendix A is a Record Retention Schedule that is approved as the initial maintenance, retention and disposal schedule for physical and electronic records. The Chief Compliance Officer (“CCO”) 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 CCO shall: 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; monitor local, state and federal laws affecting record retention; annually review this Policy; and monitor compliance with this Policy.

Upon the termination or expiration of any contract, the Legal Department shall notify the Liberty Technology Solutions group in order that the future of the documents related to the contract can be determined.

2. Suspension of Record Disposal In The Event of Litigation or Claims

In the event Liberty is served with any subpoena or request for documents, there is a governmental investigation or audit concerning Liberty, or the commencement of any litigation against or concerning Liberty, or such litigation seems imminent, any further disposal of documents shall be suspended until such time as the CCO, with the advice of counsel, determines otherwise. The CCO shall take such steps as is necessary to promptly inform all staff of any suspension in the further disposal of documents.

3. Applicability

This Policy applies to all physical records generated in the course of Liberty’s operation, including both original documents and reproductions. It also applies to the electronic documents described above. This Policy supplements Policy ISF 2.0 – Data Management Policy.

APPENDIX A - RECORD RETENTION SCHEDULE

The Record Retention Schedule is as follows:

SECTION TOPIC

- A. Accounting and Finance
- B. Contracts
- C. Corporate Records
- D. Correspondence and Internal Memoranda
- E. Electronic Documents
- F. Insurance Records
- G. Legal Files and Papers
- H. Miscellaneous
- I. Payroll Documents
- J. Personnel Records
- K. Property Records
- L. Tax Records
- M. Programs & Services Records

A. ACCOUNTING AND FINANCE

| Record Type | Retention Period |
|--|------------------------------------|
| Accounts Payable ledgers and schedules | 10 years |
| Accounts Receivable ledgers and schedules | 10 years |
| Annual Audit Reports and Financial Statements | Permanent |
| Annual Audit Records, including work papers and other documents that relate to the audit | 10 years after completion of audit |
| Annual Plans and Budgets | 2 years |
| Bank Statements and Canceled Checks | 10 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 |

B. CONTRACTS

| Record Type | Retention Period |
|--|--|
| Contracts and related correspondence (including any proposal that resulted in the contract and all other supportive documentation) | 10 years after expiration or termination |

C. CORPORATE RECORDS

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

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 (10 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 email—from internal or external sources—for active employees shall be deleted after 7 years; for inactive employees shall be 3 years.
 - Workforce members will not store or transfer Liberty-related email on non-work-related computers, unless an exception is needed, and such is obtained from Liberty Technology Solutions.
2. **Electronic Documents: including Microsoft Office Suite and PDF files. Retention also depends on the subject matter.**
 - **PDF documents** – The length of time that a PDF file should be retained should be based upon the content of the file and the category under the various sections of this policy. PDF files the Workforce member deems vital to the performance of his or her job should be printed and stored in the employee's workspace.
 - **Text/formatted files** – Workforce members will conduct annual reviews of all text/formatted files (e.g., Microsoft Word documents) and will delete all those they consider unnecessary or outdated. After 10 years, all text files will be deleted from the network and the member's desktop/laptop. Text/formatted files the staff deems vital to the performance of their job should be printed and

stored in the staff's workspace.

3. **Web Page Files: Internet Cookies**

- All workstations: Internet Explorer should be scheduled to delete Internet cookies once per month.
- Liberty 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.
- 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. **INSURANCE RECORDS**

| Record Type | Retention Period |
|--|-------------------------------------|
| Annual Loss Summaries | 10 years |
| Audits and Adjustments | 3 years after final adjustment |
| Certificates Issued to Liberty | Permanent |
| Claims Files (including correspondence, medical records, injury documentation, etc.) | Permanent |
| Group Insurance Plans - Active Employees | Until Plan is amended or terminated |
| Insurance Policies (including expired policies) | Permanent |
| Loss Runs | 10 years |
| Releases and Settlements | Permanent |

G. **LEGAL FILES AND PAPERS**

| Record Type | Retention Period |
|---|--------------------------------|
| Legal Memoranda and Opinions (including all subject matter files) | 10 years after close of matter |
| Litigation Files | Permanent |
| Court Orders | Permanent |
| Requests for Departure from Records Retention Plan | 10 years |

H. **MISCELLANEOUS**

| Record Type | Retention Period |
|---|---------------------------------------|
| Consultant's Reports | 10 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 |

I. PAYROLL DOCUMENTS

| Record Type | Retention Period |
|--|---------------------------|
| 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 |

J. PERSONNEL RECORDS

| Record Type | Retention Period |
|---|--|
| Commissions/Bonuses/Incentives/Awards | 7 years |
| EEO- 1 /EEO-2 - Employer Information Reports | 2 years after superseded or filing (whichever is longer) |
| Employee Earnings Records | Separation + 7 years |
| Employee Handbooks | 1 copy kept permanently |
| Employee Medical Records | Separation + 6 years |
| Employee Personnel Records (including individual attendance records, application forms, job or status change records, performance evaluations, termination papers, withholding information, garnishments, test results, training and qualification records) | 6 years after separation |
| Employment Contracts – Individual | 7 years after separation |
| Employment Records - Correspondence with Employment Agencies and Advertisements for Job Openings | 3 years from date of hiring decision |
| Employment Records - All Non-Hired Applicants (including all applications and resumes - whether solicited or unsolicited, results of post-offer, pre-employment physicals, results of background investigations, if any, related correspondence) | 2-4 years (4 years if file contains any correspondence which might be construed as an offer) |
| Job Descriptions | 3 years after superseded |
| Personnel Count Records | 3 years |
| Forms I-9 | 3 years after hiring, or 1 year after separation if |

later

K. PROPERTY RECORDS

| Record Type | Retention Period |
|--|-------------------------|
| Correspondence, Property Deeds, Assessments, Licenses, Rights of Way | Permanent |
| Original Purchase/Sale/Lease Agreements | Permanent |
| Property Insurance Policies | Permanent |

L. TAX RECORDS

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.

| Record Type | Retention Period |
|--|-------------------------|
| 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 |

M. PROGRAM AND SERVICE RECORDS

| Record Type | Retention Period |
|-------------------------|--|
| Program Records | 10 years after termination or expiration |
| Research & Publications | Permanent (1 copy only) |

Approved By: _____

Revision History

| Version | Date | Author | Summary of Changes |
|---------|------------|-----------|---|
| #1 | 07/15/2021 | John Beck | Initial ISF release – refactor and update of previous security policies into distinct documents |
| #2 | 12/01/2021 | John Beck | Annual review, Attorney reviewed and made E1 more workable. Added inactivity lock requirement |