

SECTION 2: RECORDS RETENTION STANDARD AND SCHEDULE

2.1 Purpose and Scope

This standard implements the *Information Security Policy*.

2.1.1 Purpose

The purpose of this standard 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 Smooth Sailing Solutions or are of no value are discarded at the proper time. This standard will aid employees of Smooth Sailing Solutions in understanding their obligations in retaining electronic documents, including email.

2.1.2 Scope

This standard applies to all employees, contractors, consultants, temporary and other workers at Smooth Sailing Solutions and its subsidiaries.

This standard applies to all records and documents generated in the course of Smooth Sailing Solutions operations, including both original documents and reproductions. It does not apply to independent contractor records as we rely upon third party vendors to set appropriate retention policies for themselves. It also applies to the electronic documents described above.

2.2 Standard

At least one copy must be retained of all required documents for the appropriate retention period, in accordance with Section 2.3: *Schedule* and the *Data Classification Standard*.

Document Name

Subsequent to the expiration of the retention period, documents must be destroyed in accord with the *Media Destruction Standard* as soon as practical.

INFOSEC OVERLORD administers this Standard and the implementation of processes and procedures to ensure that the Record Retention Schedule is followed. INFOSEC OVERLORD 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 Smooth Sailing Solutions; monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this Standard.

2.2.1 Legal Hold

In the event Smooth Sailing Solutions is served with any subpoena or request for documents or any employee becomes aware of a governmental investigation or audit concerning Smooth Sailing Solutions or the commencement of any litigation against or concerning Smooth Sailing Solutions, such employee shall inform INFOSEC OVERLORD and any further disposal of documents shall be suspended until such time as INFOSEC OVERLORD, with the advice of counsel, determines otherwise. INFOSEC OVERLORD shall take such steps as is necessary to promptly inform all staff of any suspension in the further disposal of documents.

2.3 Schedule

The following types of documents, whether electronic or physical, will be retained for the designated periods of time. At least one copy of each document will be retained according to the schedule.

The information listed in the retention schedule below is intended as a guideline and may not contain all the records Smooth Sailing Solutions may be required to keep in the future. Questions regarding the retention of documents not listed in this schedule should be directed to INFOSEC OVERLORD.

Document Name

2.3.1 Accounting and Finance

Table 2-1: Accounting and Finance

Record Type	Retention Period
Accounts Payable ledgers and schedules	7 years
Accounts Receivable ledgers and schedules	7 years
Annual Audit Records, including work papers and other documents that relate to the audit	7 years after completion of audit
Annual Audit Reports and Financial Statements	Permanent
Annual Plans and Budgets	2 years
Bank Statements and Canceled Checks	7 years
Credit card records (documents showing customer credit card number)	2 years <i>(See Section 2.3.1.1: Credit Card Record Retention and Destruction, below.)</i>
Employee Expense Reports	7 years
General Ledgers	Permanent
Interim Financial Statements	7 years
Internal Audit work papers and findings	7 years after completion
Investment Records	7 years after sale of investment
Notes Receivable ledgers and schedules	7 years

2.3.1.1 Credit Card Record Retention and Destruction

A credit card may be used to pay for Smooth Sailing Solutions products and services. 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 also contains credit card information, is necessary for retention beyond two years, then the credit card number will be cut out of the document.

Document Name

2.3.2 Contracts

Table 2-2: Contracts

Record Type	Retention Period
Contracts and Related Correspondence (including any proposal that resulted in the contract and all other supportive documentation)	7 years after expiration or termination

2.3.3 Corporate Records

Table 2-3: 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
Memorandums of Understanding	Permanent

2.3.4 Correspondence and Internal Memoranda

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 (7 years after expiration). Records that support a particular project should 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 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.

Document Name

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

2.3.5 Electronic Documents

2.3.5.1 Electronic Mail

1. Not all email needs to be retained, depending on the subject matter.
2. Employees will strive to keep all but an insignificant minority of their email related to business issues.
3. Employees will not store or transfer Smooth Sailing Solutions-related email on non-work-related computers except as necessary or appropriate for company purposes.
4. Employees will take care to observe the *Data Classification Standard*.
5. Employees will take care to observe the *Email Standard*.
6. Any email that an employee deems vital to the performance of their job should be retained.

2.3.5.2 Other Electronic Files and Documents

1. Electronic Documents include Microsoft Office Suite and PDF files. Retention depends on the subject matter.
2. 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 standard.
3. Employees 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 five years, all such files will be deleted from the network and the employee's workstation.
4. Any document that an employee deems vital to the performance of their job should be retained.

Document Name

2.3.5.3 Web Page Files: Internet Cookies

All browsers should be scheduled to delete Internet cookies on all workstations once per month.

2.3.5.4 Deletion of Electronic Files

Smooth Sailing Solutions does not automatically delete electronic files beyond the dates specified in this standard. It is the responsibility of all staff to adhere to the guidelines specified in this standard.

2.3.5.5 Backup of Electronic Files

Each day Smooth Sailing Solutions runs a backup copy of all electronic files (including email) on Smooth Sailing Solutions servers, as specified in the *Business Continuity Standard*. This backup is a safeguard to retrieve lost information within a one-year retrieval period should documents on the network experience problems. The backup copy is considered a safeguard for the record retention system of Smooth Sailing Solutions, but is not considered an official repository of Smooth Sailing Solutions records.

All monthly and yearly backups are stored offsite according to the *Business Continuity Standard*.

2.3.5.6 Official Status of Electronic Files

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.

Document Name

2.3.6 Insurance Records

Table 2-4: Insurance Records

Record Type	Retention Period
Annual Loss Summaries	10 years
Audits and Adjustments	3 years after final adjustment
Certificates Issued to {Insert Name of Organization}	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

2.3.7 Legal Files and Papers

Table 2-5: Legal Files and Papers

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

Document Name

2.3.8 Miscellaneous

Table 2-6: Miscellaneous

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

2.3.9 Personnel and Payroll Records

Table 2-7: Personnel and Payroll Records

Record Type	Retention Period
Employee Personnel Records (including individual attendance records, application forms, job or status change records, performance evaluations, termination papers, test results, and training and qualification records)	Separation + 6 years
Employment Contracts – Individual	Separation + 7 years
Payroll Deductions	Separation + 7 years
W-2 and W-4 Forms	Separation + 7 years
Employee Handbooks	one copy kept permanently
Employee Medical Records	Separation + 6 years
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 years (4 years if file contains any correspondence which might be construed as an offer)
Employment Records – Correspondence with Employment Agencies and Advertisements for Job Openings	3 years from date of hiring decision
Garnishments, Assignments, Attachments	Separation + 7 years

Document Name

Table 2-7: Personnel and Payroll Records (Continued)

Record Type	Retention Period
I-9 Forms	3 years after hiring, or 1 year after separation if later
Job Descriptions	3 years after superseded
Labor Distribution Cost Records	7 years
Payroll Registers (gross and net)	7 years
Retirement and Pension Records	Permanent
Time Cards/Sheets	2 years
Unclaimed Wage Records	6 years

2.3.10 Property Records

Table 2-8: Property Records

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

2.3.11 Tax Records

Smooth Sailing Solutions 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.

Table 2-9: Tax Records

Record Type	Retention Period
Tax Bills, Receipts, Statements	7 years
Tax Returns	Permanent

Document Name

Table 2-9: Tax Records (Continued)

Record Type	Retention Period
Annual Information Returns: Federal and State	Permanent
IRS or other Government Audit Records	Permanent
IRS Rulings	Permanent
Sales/Use Tax Records	7 years
Tax Workpaper Packages (Originals)	7 years

2.4 Compliance and Control

INFOSEC will verify compliance to this standard through various methods, including but not limited to, business tool reports, internal and external audits, and feedback to the policy owner.

Any exception to the standard must be approved by INFOSEC and LEGAL in advance.

An employee found to have violated this standard may be subject to disciplinary action, up to and including termination of employment.

Section 2: *Records Retention Standard and Schedule* is a controlled document. While this document may be printed, the electronic version maintained on the Smooth Sailing Solutions POLICY DOCS LOCATION is the controlled copy. Any printed copies of this document are not controlled.

Document Section Classification: Internal Only

2.4.1 Related Policies, Standards, and Procedures

- *Business Continuity Standard*
- *Data Classification Standard*
- *Email Standard*
- *Media Destruction Standard*

Document Name

2.4.2 Change Control

Table 2-10: Amendment History

Version	Date	Person	Description of Change
0.1	June 11 2019	T. Ryng	Initialization per template.

2.4.3 Review and Approval

This document is valid as of [date].

The owner of this document is indicated in Table 2-11. This person must review and, if necessary, update the document at least annually.

Table 2-11: Approval

Name	Title	Signature	Date

