DOCUMENT RETENTION AND DESTRUCTION POLICY
RUTLAND FREE LIBRARY

The purposes of this document retention policy are for the Rutland Free Library (the "Library") to enhance compliance with the Sarbanes-Oxley Act (aka “the Corporate and Auditing Accounting Responsibility and Transparency Act”) and to promote the proper treatment of corporate records of the library. In addition, this policy is meant to provide a guideline for maintaining compliance with other applicable state and federal document retention and destruction guidelines.

GENERAL GUIDELINES

Records should not be kept if they are no longer needed for the operation of the Library or required by law. Unnecessary records should be eliminated from the files, as the cost of maintaining records is an expense that can grow unreasonably if good housekeeping is not performed. A mass of records also makes it more difficult to find pertinent records.

Annually, the library director shall review records for retention or destruction in order to ensure legal compliance. Several categories of documents that warrant special consideration are identified below. While minimum retention periods are established, the retention of the documents identified below and of documents not included in the identified categories should be determined by the Library director, at his or her own discretion, primarily by the application of the general guidelines affecting document retention and destruction, as well as the exception for litigation relevant documents and any other pertinent factors.

EXCEPTION FOR LITIGATION RELEVANT DOCUMENTS

The Library expects all trustees and employees to comply fully with any published records retention or destruction policies and schedules, provided that all trustees and employees should note the following general exception to the destruction schedules set forth herein: if the Library director or Board of Trustees reasonably believe that Library records are relevant to pending litigation, or are relevant to an existing dispute that is likely to lead to litigation, the Library director shall preserve those records until it is determined by the Library director and the Board of Trustees that the pending litigation or dispute has been resolved such that the records are reasonably believed to be no longer needed. This exception supersedes any previously or subsequently established destruction schedule for those records.

MINIMUM RETENTION PERIOD FOR SPECIFIC CATEGORIES

1. Organization Documents. Library records include the Library's articles of incorporation, by-laws and IRS Form 1023, application for Exemption. Library records should be retained permanently. IRS regulations require that the Form 1023 be available for public inspection upon request.

2. Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of contributions made by donors, accounting procedures, fiscal year end bank and investment statements, and other documents concerning the Library's revenues. Tax records should be retained for at least seven years from the date of filing the applicable return.

3. Employment Records / Personnel Records. The Library will keep recruitment, employment and personnel information in accordance with state and federal law. The Library should also keep personnel files that reflect performance reviews and any complaints brought against the Library or individual employees under applicable state and federal statutes. The Library should also keep in the employee's personnel file all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel.

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Employment applications should be retained for three years. Retirement and pension records should be kept permanently and other employment and personnel records should be retained for seven years.
4. Board and Board Committee Materials. Meeting minutes should be retained in perpetuity in the Library's minute book. A clean copy of all other Board and Board Committee materials should be kept for no less than three years by the Library.

5. Press Releases/Public Filings. The Library should retain permanent copies of all press releases and publicly filed documents under the theory that the Library should have its own copy to test the accuracy of any document a member of the public can theoretically produce against the Library.

6. Legal Files. Legal counsel should be consulted to determine the retention period of particular documents, but legal documents should generally be maintained for a period of ten years.

7. Contracts. Final, execution copies of all contracts entered into by the Library should be retained. The Library should retain copies of the final contracts for at least three years beyond the life of the agreement. Correspondence. Unless correspondence falls under another category listed elsewhere in this policy, correspondence should generally be saved for two years.

8. Banking and Accounting. Accounts payable ledgers and schedules should be kept for seven years. Bank reconciliations, bank statements, deposit slips and checks (unless for important payments and purchases) should be kept for three years. Any inventories of products, materials, and supplies and any invoices should be kept for seven years.

9. Insurance. Expired insurance policies, insurance records, accident reports, claims, etc. should be kept permanently.

10.Audit Records. External audit reports should be kept permanently.

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