

Sample Bank

Record Retention and Destruction Policy

The Board of Directors and Management of Sample Bank (the “Bank” or “SAMPLE”) recognize the importance of maintaining records in accordance with regulatory guidelines and in keeping with good business practice. Our employees, regulators, auditors, and compliance personnel depend on bank records to establish the bank's compliance with all banking regulations. Further, these records could be critical to restoring operations in the event of a disaster and corroborating the Bank's position in legal actions. Therefore, it is important for employees to practice due diligence in maintaining bank records.

Consequently, the Board of Directors of Sample Bank requires that all business units of the Bank establish appropriate procedures, systems and practices to maintain records in accordance with applicable regulations and the Bank's defined business needs. This policy is designed to emphasized compliance with all recordkeeping requirements needed to conduct audits and compliance examinations.

Policy Objectives

Recordkeeping requirements must be adhered to in order to sufficiently demonstrate compliance with various federal and state regulations. A system must be created to achieve this objective without placing undue burdens on employees.

The specific goals of this policy are to:

- A. Communicate the need for compliance in recordkeeping.
- B. Establish responsibility for procedure development and implementation.

Responsibility

The responsibility of adopting and maintain record retention procedures rests with each business unit and department. A department head may authorize a department employee to coordinate with the compliance area to establish record retention and destruction procedures conforming with applicable banking laws and regulations. However, it is the department head who has the ultimate responsibility for maintaining proper records. Fewer material changes will be communicated via memoranda. More substantial changes in record retention requirements or the form of those requirements, due to regulatory changes or operations changes, will be communicated through written memorandum as well as through training of appropriate personnel.

Internal auditors and the compliance officer will participate in communicating new or amended recordkeeping requirements relating to banking laws and regulations. In addition, the internal auditors and the compliance officer will periodically test record retention procedures to assure compliance.

Training

Each department is responsible for training new employees to comply with procedures that have been adopted. Department employees with responsibility for record retention will work with the compliance officer and the training area of Human Resources to develop the training workshop and/or materials. All operations employees will receive an overview of this policy during their first few days of employment.

Storage

Sample Bank warehouses many records in the file rooms and records vaults in various business units and departments (i.e., Credit Card, Residential Mortgage Lending, Commercial Lending). Additionally, the Bank maintains an off-site warehouse storage facility. An employee, or group of employees will be assigned in each business unit and department as vault custodians and will be responsible for maintaining customer, Bank and departmental records in an orderly and readily accessible fashion. All archive boxes must be marked legibly with contents, date of material and the expiration date of retention period.

Only records with retention periods exceeding two years may be sent to the offsite warehouse. All others must be maintained in the originating department.

Destruction

The Bank provides receptacles for the destruction of confidential information on a day-to-day basis. Employees have been instructed regarding the types of information that requires shredding and which should be placed in these receptacles. A third-party vendor removes and destroys these documents.

Archived records must be destroyed at expiration of the retention period. Normally, shredding will be used to destroy all paper records and this process will be completed by third-party vendors. No unshredded documents will be recycled.

Destruction of any records with retention periods exceeding two years must be authorized by the officer of the department in which the information originated. The officer must check through the records and attend the record destruction.

Coordination with Business Continuity Planning

Each business unit manager or department head with responsibility for record retention will be aware of the Business Continuity Plan and procedure requirements affecting their area and the methods used to ensure that record retention requirements are complied with if on-premises bank records are destroyed.

Record Retention Guidelines

Regulations require substantiation through the maintenance of supporting records. To maintain a strong operating institution and comply with regulations, sufficient recordkeeping procedures must be adopted. To establish proper guidelines, individual regulations must be carefully reviewed for recordkeeping requirements and penalties.

Accounting

Item Description	Retention Period
Bank call reports	10 years
Cashiers Checks	2 years
Cashiers Check Statements	2 years
Certified Checks	2 years
Certified Check Statements	2 years
Daily Reserve Computations	1 years
Daily Stmt. Of Condition (EOM)	2 years
Earnings, Dividend Reports	Permanent
Expense Checks	7 years
Expense Check Statements	2 years
General Ledger Tickets	1 years
GL Account Reconcilements	2 years
Insurance Records	5 years
Internal Expense Vouchers	7 years
Paid Bills, Statements	3 years
Repo Account records of customer's purchase of bank government securities	2 years easily accessible 6 years total [17 CFR 450.4(f)]

Audit

Item Description	Retention Period
Audit Working papers	3 years
Auditor's Reports	3 years
Bank Examiners' Reports	7 years
Customer Confirmations	3 years
Director Examination Reports	Permanent

Branch Records

Item Description	Retention Period
ATM Teller settlement Records	1 year
Bait Money & Serial Number Lists	Until Superseded
Bank Secrecy Act Compliance Program	Permanent (12 CFR 21 – unspecified)
Undeliverable/Unclaimed Check Orders	2 months
Closed Certificates of Deposit	5 years
Closed Check/Savings Signature Cards	5 years
Correspondence	5 years
Equipment Test Records	1 year
Garnishments	3 years
Hold Notices under Regulation CC	2 years

	(12 CFR 229.21)
Loss Reports	10years
Night Deposit Agreements	1 year
Night Deposit Envelopes	45 days
Night Deposit Logs	1 year
Registered Mail Receipts	1 year
Robbery, Fraud Reports	10 years
Safe Deposit Entrance Records	5 years
Safe Deposit Forced entry records	5 years
Series EE Bond Application	1 year
Series EE Bond Redeemed Transmittal Letter	1 year
Taxpayer ID # for all deposit accounts opened	Obtain within 30 days of opening the account, retain for 5 years (31 CFR 103.34 & 103.38)
Teller's Difference Records	1 year
Teller's Cash Item Records	1 year
Teller's Machine Tapes	1 year
Teller's Settlement Records	1 year
Traveler's Checque Applications	1 year

CUSTOMER SERVICE / OPERATIONS

Item Description	Retention Period
Affidavits for Losses/Forgeries	5 years
CD Daily Settlements	3 months
Change of Address Notices	1 year
Computer Records of all account activity records, (checks, drafts, monetary instrument, statements, etc.)	Permanent on OMS & CD ROM (31 CFR 103.38 – 5 years)
Corporate Resolutions	3 years
CTR's	Permanent
Suspect CTR Verification Reports	5 years
Demand Deposit account records to trace or supply a description of a check in excess of \$100 deposited in a demand account	5 years (31 CFR 103.38)
DDA Daily Settlements	3 months
EFT Notices, Evidence of compliance with Electronic Funds Transfer Act	2 years (12 CFR 205.13)
Fiduciary account records	3 years (12 CFR 9.8)
FRB Incoming Return Letters	3 years
FRB Large Item Return Wire Notices	3 years
Indemnity Bonds for Official Checks	5 years
IRS Levies	3 years
Microfiche	Permanent
Microfilm	Permanent
Other Levies	3 years
Returned Mail	60 days
Savings Daily Settlements	3 months
Savings Deposits	1 year

Savings Withdrawals	1 year
Stop payment records	5 years
Subpoenas	3 years
Suspicious Activity Reports	Permanent
TT&L Records	3 years
Writs of Attachment	3 years
Wire Records	5 years (31 CFR 103.33)

Corporate Records

Item Description	Retention Period
Director's Reports	5 years
Dividend Checks	10 years
Dividend Register	5 years
Minutes of Directors, Stockholders, Other Meetings	Permanent
Pending Litigation to which the bank is a party in connection with its exercise of fiduciary powers	3 years from the later of termination of the fiduciary account, or of the litigation relating to such account (12 CFR 9.8)
Proxies	5 years
Stock Certificates	Permanent
Stock Certificate Receipts	5 years
Stock Transfer Register	Permanent
Stockholder Ledger	Permanent
Stock Transfer Register	Permanent
Surety Bonds for Lost Certificates	Permanent
Tax Returns	Permanent

Investments

Item Description	Retention Period
Accrual Records	2 years
Broker's Invoices	5 years
Brokers' Statements	5 years
Buy and Sell Orders	2 years

Loans

Item Description	Retention Period
Advertisements for Loan Programs	2 years (12 CFR 226.25)
Charge Offs	10 years
Declined Personal Loan Applications	25 months (12 CFR 202.9)
Declined Business Loan Applications (gross income under \$1,000,000)	12 months (12 CFR 202.9)
Declined Business Loan Applications (gross income over \$1,000,000)	60 days (12 CFR 202.9)
Good Faith Estimate, HUD-1, HUD-1A, service provider information	5 years (24 CFR 3500.11)
HMDA LAR	5 years (12 CFR 203.5)

Identification documents of borrowing customers	5 years after loan paid off
Flood Insurance verification	Can destroy at payoff (12 CFR 22.6)
Mortgage loan disclosure statement	5 years (12 CFR 203.5)
Non-Accrual Loan Records	10 years
Paid Off Loan & Letter of Credit Files (must specifically retain: name & address of borrower, amount of the loan, nature or purpose, date)	5 years (31 CFR 103.33)
Public Comments for CRA performance	2 years (12 CFR 25.43)
Records of loans to executive officers, directors and principal shareholders	Permanent (12 CFR 215.8)
Requests by members of the public on loans made to insiders	2 years (12 CFR 215.11)
Truth in Lending disclosures	2 years from date of disclosure (12 CFR 226.25)

Miscellaneous

Item Description	Retention Period
Bank Contracts	5 years
Bank Correspondence	5 years
Bank Leases	5 years

Personnel Records

Item Description	Retention Period
Employee Time Cards	5 years
Federal Tax Reports	Permanent
Group Insurance Records	Permanent
Payroll Ledgers	7 years
Retirement Fund Records	Permanent
Records of Employees: <ul style="list-style-type: none"> • Personnel Files • Applications 	7 years 18 months
State Tax Reports	Permanent

Offsite Storage Locations:

Record Destruction Companies:
