Hebrew Free Loan, Detroit

Document Retention and Destruction Policy

The records of Hebrew Free Loan (HFL) are important assets and the property of HFL. Records include essentially all records produced as an employee and/or director of HFL, whether paper or electronic. The law requires HFL to maintain certain types of records, usually for a specified period of time. Failure to retain those records for those minimum periods could subject HFL to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place HFL in contempt of court, or seriously disadvantage HFL in litigation.

HFL expects all employees and directors to fully comply with any published records retention or destruction policies and schedules. Destruction of all documents listed below shall be done by shredder and properly disposed of after shredding. Several categories of documents that bear special consideration are identified below to include but not limited to:

(1) Tax Records
- (a) The following tax records must be retained permanently:
  - (i) Internal Revenue Service or state adjustments;
  - (ii) Tax returns and worksheets
- (b) Payroll tax returns must be retained for at least 7 years from the date of filing the applicable return.

(2) Employment Records/Personnel Records. State and federal statutes require HFL to keep certain recruitment, employment and personnel information.

(a) Personnel files, including employment applications (from date of termination of employment) must be retained for7 years

(b) Records of job injuries causing loss of work must be retained for 5 years.

(c) Employment eligibility verification (I-9 forms) must be retained for 3 years from date of termination of employment.

(3) Legal Documents.
- (a) The following legal documents must be retained permanently:
  - (i) Articles of incorporation and bylaws;
  - (ii) Contracts and leases (still in effect);
  - (iii) Legal correspondence;
  - (iv) Minutes of all meetings of members, directors and executive committees.
- (b) Contracts and leases (expired) should be retained for 7 years:

(4) Insurance Records.
- (a) Insurance polices still in effect should be retained permanently;
- (b) Insurance polices that have expired should be retained for 7 years;
- (c) Accident reports and settled claims should be retained for 7 years after settlement

(5) Loan Files. All loan files and collateral documents must be at HFL's principal office.

(a) The following loan files must be retained for 1 year, and they will be shredded and destroyed after one (1) year (except when a longer retention period is required by law):

(i) Inquiries;

(ii) Partial applications;

(iii) Withdrawn applications; and

(iv) Applications turned down by HFL.

(b) Closed loan files, including the original application file, are retained for 3 years after the loan has been paid in full, except when a longer retention period is required by law. After 3 years, the original paperwork is transferred to the Jewish Community Archives.

(c) Current loan files shall be kept in original form and locked in file cabinets.

(6) Accounting Records. The following accounting records must be retained for 7 years:

(a) Records and documents which are the basis for or related to financial statements

(b) Annual financial statements;

(c) General ledger;

(d) Trial balance (year-end).

(e) Bank statements

(f) Electronic loan payments;

(g) Payroll journal

(7) Computer Storage**.** All client, donor and accounting records are housed on a secured network server that is hosted by the Jewish Federation of Metropolitan Detroit.