

BIG SKY COUNTY
WATER & SEWER DISTRICT
NO. 363



Document Retention Policy

Big Sky County Water & Sewer District No. 363
P. O. Box 160670
Big Sky, Montana 59716
(406) 995-2660

Adopted: December 21, 2010

DOCUMENT RETENTION POLICY MANUAL

PURPOSE AND GOALS OF THE DOCUMENT RETENTION POLICY

The BIG SKY COUNTY WATER & SEWER DISTRICT, hereafter referred to as "District", has implemented the Document Retention Policy (DRP) for the management and disposition of its records. The primary objective of the DRP is the efficient, effective, and economical management of information. The DRP provides for a guiding principle of records management is to ensure that information is available when and where it is needed, in an organized and efficient manner. The DRP will ensure that the District staff has the recorded information necessary to perform its statutory and regulatory functions, avoid waste, and preserve the documentary heritage of the District. Additionally, with proper management, unneeded documents may be discarded and less-active records may be transferred to offsite storage if the District elects to do so.

The goals of this DRP are to:

1. Retain important documents for reference and future use;
2. Delete documents that are no longer necessary for the proper functioning of District;
3. Organize important documents for efficient retrieval; and
4. Ensure that District employees know what documents should be retained, the length of their retention, means of storage, and when and how they should be destroyed.

Federal and state laws require the District to maintain certain types of records for a specified period of time. Failure to maintain such records could subject the District to penalties and fines, obstruct justice, spoil legal evidence, and/or seriously harm the District's position in litigation.

THE DEFINITION OF A RECORD

"Records" discussed herein refers to all business records of the District and is used interchangeably with "documents", including written, printed, and recorded materials, as well as electronic records (i.e., emails and documents saved electronically). In order to be considered a record, a document must meet two criteria:

1. Regardless of form, it must be created or received by the District in connection with the transaction of official business; and
2. The document must be preserved or be appropriate for preservation by the District as evidence of the District's function, policies, decisions, procedures, operations, or because of informational value.

RECORD FORMATS

Records may be a variety of formats including paper, microfilm, analog cassette/videotapes, maps, drawings, photographs, magnetic tapes/disks, and digital audio and video files and disks. In addition, information sets such as email, datasets, and metadata stored in electronic formats in document management systems may have record status and require retention to meet administrative, legal, or financial needs. Regardless of the format utilized, the record must be maintained by the District long enough to meet the retention terms set by the DRP.

EXCEPTIONS

All employees of the District must fully understand and comply with DRP, and any future records retention or destruction policies and schedules. Exceptions to the DRP schedule may become applicable if the District has been notified that:

1. Such records are or could be relevant to any future litigation;
2. There is a dispute that could lead to litigation, or
3. The District is a party to a lawsuit, in which case all records must be preserved until the District's legal counsel determines that the records are no longer needed.

If an employee believes, or if the District informs its employees that District records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then the subject records must be preserved until the District's legal counsel determines the records are no longer needed. This exception supersedes any previously or subsequently established destruction schedule for those records. If an employee believes that an exception may apply, or have any questions regarding the possibility of legal matters that warrants longer document retention then the District's legal counsel should be consulted.

If a lawsuit is filed or imminent, or a legal document request has been made upon the District, **ALL RECORD DESTRUCTION MUST CEASE IMMEDIATELY**. The District's DRP Manager may suspend this DRP to require that documents relating to the lawsuit or potential legal issue(s) be retained and organized.

RECORDS MANAGEMENT

To ensure compliance with this DRP, the District's DRP Manager shall be the General Manager who is responsible for the following oversight functions:

- Implementing the DRP;
- Ensuring that employees are properly educated, understand, and follow the DRP's purpose;
- Providing oversight on actual retention and destruction of documents;
- Ensuring proper storage of documents;
- Periodically following-up with counsel to ensure proper retention periods are in place;

- Suspending the destruction of documents upon foreseeable litigation; and
- Keeping the Board of Directors, and District employees apprised of changes to the DRP.

The DRP Manager shall periodically review the DRP, modify it accordingly and present the modifications to the District Board for approval; and inform and educate all District employees on any such changes. All questions relating to document retention and/or destruction of documents should be directly addressed to District's DRP Manager.

RETENTION SCHEDULE

Appendix "A", attached at the end of the DRP, lists several categories of records, as well as specific records that contain specific retention periods. This is referred to as a Document Retention Schedule ("DRS"). All records not provided for in the DRS or described herein, shall be classified for a retention period by the DRP manager and the DRP shall be amended to include those records into the DRS.

TYPES OF RECORDS

Temporary Records

Temporary records include all working or draft documents either in electronic or paper form that are used in the development of a final record or document. These documents include:

- Draft Board meeting minutes
- Draft Ordinances
- Draft Policies
- Draft Resolutions
- Draft Reports

These temporary records can be destroyed, or permanently deleted if in electronic form when the document is considered to be complete, or if the final version has been adopted by the District Board of Directors for minutes, ordinances, resolutions and policies. The final document shall be retained in accordance with the DRS as shown in Exhibit A.

EXHIBIT A

DOCUMENT RETENTION SCHEDULE

Type of Document	Years to Retain "P" indicates permanent retention
<u>Contracts and Agreements</u>	
Contracts and Leases in Force	P
Expired Contracts	7
<u>Governing Documents</u>	
Articles of Incorporation and Bylaws	P
Rules and Regulations	P
Easements	P
Election Records (Undisputed)	7
Meeting Minutes	P
Newsletters	P
Resolutions & Ordinances	P
Policies & Procedures	P
Conflict of Interest Disclosure Statements	P
Standard Specifications	P
<u>Financial and Accounting</u>	
Accounts Payable Ledger	7
Accounts Receivable Ledger	7
Bank Signature Cards	7
Bank Deposit Slips	7
Bank Reconciliations	7
Bank Statements and Cancelled Checks	7
Brokerage Statements	7
Budgets	7
Check Register (Cash Disbursements Journal)	7
Depreciation Schedules	P
Interim Financial Statements	7
Annual Audit Report	P
General Ledgers	P
Vouchers for payments to vendors, employees, etc.	7
Credit Card Statements	7
Petty Cash Records	7
Office Equipment Records (for current equipment, otherwise an accounting of "disposal" of equipment)	P
Tax Bills and Statements (Le., real property)	P
Property Appraisals (on real property owned by BSOA)	P
SRF Loan Documents (*20 years or duration of loan term)	20*

EXHIBIT A**DOCUMENT RETENTION SCHEDULE**

<u>Human Resource Records</u>	
Personnel Files (after termination)	7
Payroll Records	7
Employee withholding tax statements	7
Employee disability benefits records	7
Employment Applications	7
Employee Changes and Terminations	7
Employee Contracts	7
<u>Insurance Documents</u>	
Insurance matters (policies and declaration pages, claims, accident and fire inspection reports)	P
Additional Insured Endorsements (both from BSOA and naming BSOA)	P
Loss/Accident reports and claims made to insurance (after settlement)	7
<u>Legal Records</u>	
General Legal Opinions	P
Disputes or Litigation with Homeowners	P
Litigation with Third Parties	P
<u>Miscellaneous</u>	
Customer Correspondence	7
<u>Project Files</u>	
Project Files (from the date when the project was considered complete or inactive)	7
Operation & Maintenance Manuals	P
As-built Plans	P
Design plans and specifications	7
Development and Subdivision Sewer and Water Extension Submittals	P
<u>Reports & Studies</u>	
Reports & Studies Pertinent to Big Sky	P
<u>Sewer & Water Connection Permits</u>	
Connection Permit Files	P
-	