
RECORD RETENTION OVERVIEW

Overview

Part 749 of the NCUA Rules and Regulations identifies vital records that must be maintained by credit unions. The appendix provides guidance on the length of time credit unions should retain various operational records. Credit unions may retain records in any format that can reconstruct the records, including paper originals, micro-film or fiche, magnetic tape, or other electronic format. NCUA does not regulate on the appropriate length of time to retain operational records, but the Appendix provides guidance to help credit unions with suggested record retention timeframes.

Records to Retain

Vital records, as of the most recent month end, to be retained on and off site include:

- Share, deposit, and loan balances for each member's account;
- A financial report listing all of the credit union's assets and liabilities;
- Bank reconcilements; and
- Listing of the credit union's financial institutions, insurance policies, and investments.

The following records should be retained permanently:

- Charter
- Bylaws and amendments
- Certificates or licenses to operate various government programs (i.e. sale of U.S. Savings Bonds)
- Minutes of meetings for the membership (annual meeting), board of directors, credit committee, and supervisory committee
- NCUA 5300 financial report
- Supervisory committee annual audit
- Supervisory committee records of member account verification
- Applications for membership, including joint share account agreements
- Journal and cash record
- General ledger
- Individual share and loan ledger
- Bank reconcilements
- Listing of records destroyed

Records for Permanent Destruction

The following records may be destroyed after they are made available for the annual audit and NCUA examination:

- Applications of paid loans
- Paid notes
- Various consumer disclosure forms, unless retention is required by law
- Cash received vouchers
- Journal vouchers
- Canceled checks
- Bank statements
- Outdated manuals, cancelled instructions and nonpayment correspondence from NCUA and other government agencies

Retention Times

NCUA does not have any restrictions on the specific length of time that credit unions should maintain records. Each state may impose its own rules, so credit unions should consult with local counsel when setting minimum retention periods.

The three most common types of records should be retained as follows:

- A non-vital record pertaining to a member account may be destroyed after it is verified by the supervisory committee.
- Individual share and loan ledgers should be retained permanently.
- Records for a particular period should not be destroyed until the annual audit and the NCUA examination have been completed for that period.

Associated Risks

- Compliance risk can occur when the credit union fails to maintain a records preservation program to identify, store, and reconstruct vital records if the credit union's records are destroyed.
- Reputation risk can occur when the credit union destroyed records that impacted their legal standing to collect on loans or defend themselves in court.