

Effective July 31, 1993

**POLICY STATEMENT ON RETENTION OF RECORDS OF THE
FEDERAL HOME LOAN BANKS**

Objective: Establishment of a Records Retention Policy, including a Records Retention Schedule, for the FHLBanks to:

1. Ensure retention of records and information necessary for efficient and effective supervision by the Federal Housing Finance Board of the FHLBanks.
2. Eliminate records eligible for destruction per the Records Retention Schedule, thereby reducing record storage costs. Records eligible for destruction should be systematically destroyed on a regular basis.
3. Comply with applicable laws and regulations of state and federal governments and regulatory bodies.
4. Provide a method of identifying and maintaining records, otherwise subject for destruction, when it is known or reasonably anticipated that they will be needed for examination, audit, litigation, or other legal proceedings.

Records Retention Schedule: The attached schedule details the retention period for documents prepared in the regular course of business and is organized by function (e.g., accounting, personnel, investments, etc.). Retention periods¹ are based on the following criteria:

- a) business need for retaining the records; and
- b) specific provisions in the Code of Federal Regulations to maintain certain records (e.g., there are several provisions regarding personnel records promulgated by the Department of Labor and the Equal Employment Opportunity Commission).

The retention periods specified are minimum periods established to enable the Finance Board to carry out its supervisory responsibilities. If other government agencies have established more demanding requirements, then they must be met. A FHLBank may extend the retention period for specific records if necessary. If a FHLBank desires a shorter retention period, that Bank's Board of Directors must adopt the appropriate policy and transmit it to the Finance Board for final approval as an exception to the policy. Any records not specifically mentioned in the policy are subject to retention periods established by the FHLBanks. Prudent business practices, federal regulations, and legal considerations should be considered when establishing retention periods.

1. For convenience and consistency, all records retention periods should start on the last day of the year in which the records were created. Exceptions are records that are kept while active plus a time period, or are kept until they are replaced by more current ones.

Availability: Records should be retrievable within a maximum of three business days in the event they are needed.

Record Media: The record media to be used may be determined at the discretion of each FHLBank.

Records Retention Manual: Each FHLBank shall create and maintain a records retention manual detailing the procedures that provide control and coordination of all records from creation to destruction. Issues to be addressed include: record media, control and management of the Records Retention Policy, record retrieval, and listings of destroyed documents.

RECORDS RETENTION SCHEDULE

<u>Functional Area/ record type</u>	<u>Examples/description</u>	<u>Minimum Retention</u>
Accounting:		
Accounts payable and payroll records	paid and voided checks, money orders, invoices, purchase requisitions and other supporting source documents, payroll history, payroll registers	cy + 6 years
	unemployment insurance payments (State and Federal)	cy + 6 years
	W-2 forms	cy + 6 years
	check register	cy + 6 years
	travel and other expense reports, petty cash records, property taxes, tax reports (940, 941 forms)	cy + 6 years
Accounting for fixed assets	disposal records	Active + 6 years
	capital investment analysis, acquisitions, inventory records, deeds, leases, depreciation schedules	Active + 6 years
Accounting for financial instruments & deposits	bank statements and reconciliations	cy + 6 years
	cash books and journals, wire transfer advice slips, investment trade tickets, interest rate swap tickets, consolidated obligation records, interest accrual records, amortization schedules, deposit tickets, overdraft reports, member's statements, interest payment registers, securities statements	cy + 6 years
Accounting for capital accounts	Stock register, dividend register	permanent
	DSR amortization records REFCORP entries & support	cy + 6 years

cy = current year

Active = while the matter is active. For example, while the contract is active or you own the property.

RECORDS RETENTION SCHEDULE

<u>Functional Area/ record type</u>	<u>Examples/description</u>	<u>Minimum Retention</u>
Accounting (continued):		
General accounting control records	account ledgers, journals, general ledger history, trial balance	cy + 6 years
General	accounting policies and procedures	active + 6 years
Credit/Investments & Finance:		
Transaction support	advance applications	6 years after maturity
	safekeeping/collateral receipts and releases	6 years after maturity
	advance promissory notes & checksheets, letter of credit agreements, broker correspondence, investment purchase orders, buy and sell agreements, support for hedged accounting transactions (e.g., contract strategies, price and yield correlations for futures transactions)	6 years after maturity
General control documentation	advance collateral reports	cy + 1 year
	membership applications and approval, interest rate swaps ledgers (contract register) and counter-party risk reports, income projections (budget)	cy + 3 years
Rate offerings	rate sheets for deposits advances, swaps, and other member services	6 years

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<u>Functional Area/ record type</u>	<u>Examples/description</u>	<u>Minimum Retention</u>
Credit Investment & Finance (continued):		
General authorization support	policies, procedure manuals, table of authorizations, directives, minutes and exhibits of assets - liability committee, schedules of Fed Fund investment limitations, credit review of eligible dealers	active + 6 years
General Business Contracts:	securities safekeeping agreements	active + 6 years
	trust agreements	active + 6 years
	leases, easement contracts, equipment leases, maintenance agreements, commercial bank agreements, Federal Reserve agreements, service agreements (members and others)	active + 6 years
Administration:		
Historical	bylaws, minutes of BOD and committee meetings, minutes and related exhibits of shareholders' meetings, annual reports including annual audited financial statements	permanent
Personnel - General	policy and procedures manuals	active + 6 years
Personnel - Historical	pension plan vesting files, years of service records, disability records, accident report/log, actuarial reports	permanent
Personnel - Employee records	personnel files, personnel action records, salary & pay contracts	employment + 6 years
	employee applications	1 year

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<u>Functional Area/ record type</u>	<u>Examples/description</u>	<u>Minimum Retention</u>
Administration (continued):		
Personnel - Benefit plans & policies	Equal Employment Opportunity Affirmative Action Plan, pension & retirement plans, incentive plans, group policies, employee manuals, pay rates tables	active + 6 years
Personnel - Employee benefits	sick leave accrued, vacation accrued, education assistance files, training records, form W-4	6 years
Record management	record inventory	active + 1 year
	record destruction documentation, records management procedures	10 years
Other administrative policies and procedures	check authorization procedures, computer disaster recovery plans, travel and entertainment policies	active
Legal:		
Litigation/Claims	affidavits, claims, affirmative action complaints, court case files, depositions, exhibits, grievances, litigation files	active + 3 years
General	legal opinions (internal and external), trademark records	active
Community Support:		
	CIP advances	6 years after maturity
	AHP rejected applications	cy + 1 year
	AHP files (active): application, scoresheet, support for disbursements (e.g., settlement sheet)	period that project must remain affordable

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<u>Functional Area/ record type</u>	<u>Examples/description</u>	<u>Minimum Retention</u>
Community Support (continued):		
	minutes and related exhibits of AHP council meetings	cy + 6 years
	certifications of compliance from participating thrift	cy + 6 years
	FHLBank workpapers documenting review of compliance audits performed by member	cy + 6 years
	copies of Community Support Statements (CSS) from members or Action Plans if applicable	until notice from FHFB that Standard has been met
	notices from FHFB that CSS statements have been accepted	2 years
Internal Auditors:	audit workpapers, procedures and programs	active + 3 years

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