

ADVOCACY CENTER FORUM COVERS REQUIREMENTS AND PROCEDURES FOR RETAINING BUSINESS RECORDS

William T. Palisano, president of Lincoln Archives, Inc., addressed Partnership members at an Advocacy Center Forum February 17 in Partnership offices concerning record retention.

The Advocacy Center, a Greater Buffalo Partnership business services program, works to keep members alerted to developments in legislation affecting the business climate.

Mr. Palisano presented members with an overview of legal requirements and general practices governing maintenance and retention periods for general business, tax, and employment records.

He explained that many legal requirements specify that records be kept for a "reasonable period of time." In most cases, a conservative approach is to keep records for three years.

Mr. Palisano added that the Paperwork Reduction Act of 1980, various state statutes, and realistic business practice support a three-year record retention rule. He cautioned, however, that federal and state record retention laws vary.

Mr. Palisano also outlined specific ways that organizations can develop their own record retention programs.

First, develop a systematic program over the regular course of business, evaluating the records and seeking approval of the system by management and legal counsel. It is also important to document how the program was created.

Second, make sure that the program addresses all records in the retention schedule, including reproductions. Systems which address only the original documents will not provide full legal protection for the organization.

The third step is to take into account all machine-readable computer records and records kept on microfilm and microfiche.

Fourth, obtain written approval of the record retention schedule and program procedures from the organization's chief executive officer, legal counsel, and tax advisor.

Fifth, destroy records systematically when permitted by the records retention program, according to set, periodic schedules.

Sixth, control and manage the operation of the retention program. Keep it on schedule and work within the plan guidelines.

Finally, maintain documentation supporting the development and implementation of the records retention program, including retention schedules, procedures, approvals, legal research, and listings of records destroyed.

Mr. Palisano said, "There is a cost involved in retaining records, and a cost involved in destroying records. Each organization needs to develop a records retention program which takes into account the particular costs, benefits, and risks to the individual company."

Mr. Palisano was operations manager for Lincoln Warehousing Company from 1985 until 1989, and became manager of information systems and services for Lincoln Securities Corporation, where he developed Lincoln Archives into a separate, frill-service records management company.

Further information on the Advocacy Center is available by telephoning the Partnership at (716) 852-7100, extension 446.



William T. Palisano addresses Partnership Advocacy Center Forum.