

A BOARD GUIDE

Records & Info Management

A board guide to retention, legal holds, and defensible destruction

Systematic procedures for retaining, storing, and disposing of business records per legal, tax, audit, and operational requirements—and suspending destruction under legal holds

Why Records Management Matters

What you keep, and what you destroy, are both legal decisions

Legal requirement

The company must retain records mandated by state and federal law

Litigation exposure

Destroying records under a hold can carry civil and criminal sanctions

Operational efficiency

Systematic retention controls the cost, storage, and retrieval of records

Obstruction risk

Altering or destroying records to impede an investigation is a crime

NON-NEGOTIABLE

Federal law prohibits knowingly destroying or altering a record to impede an investigation or the administration of justice

How Records Are Governed

What is kept, for how long, and how it is stored and destroyed

Official record

Designate one authoritative copy; others are convenience copies

Retention schedule

Retain each record type for its defined minimum period

Electronic records

Treat electronic files the same as their paper equivalents

Secure storage

Store records safely and accessibly, with backups tested regularly

Defensible destruction

Destroy expired records by methods matched to their sensitivity

Legal hold

Suspend destruction the moment litigation is threatened or known

Who Keeps It Honest

Clear ownership and one approval path keep retention defensible

Division ownership

Each division head administers the policy for its own records

Counsel approval

All policy exceptions require general-counsel sign-off

Hold issuance

Counsel issues legal-hold notices that suspend destruction

Employee duty

Staff aware of a proceeding must immediately suspend destruction

Confidential disposal

Shred records containing personal or sensitive information

No overwrite

Never delete or overwrite documents subject to a legal hold

Retention Categories

Records group into categories, each with a minimum period

Corporate records

Accounting records

Bank records

Payroll & tax records

Employee records

Legal & insurance records

Contracts & leases

Compliance & investigations

Internal audit records

PERMANENT

Some records—board minutes, deeds, tax returns—are retained permanently or for fixed multi-year terms

Definitions

Official record

The authoritative copy a division creates and maintains for a record type

Convenience copy

A duplicate kept only while actively used, absent a legal hold

Legal-hold notice

Counsel's directive suspending destruction of records tied to a proceeding

Retention period

The minimum time a record type must be kept before disposal

Questions the Board Should Ask

A few questions test whether records are defensible

01 **Can we suspend destruction the instant litigation looms?**
Legal-hold processes must be fast and reliable

02 **Is our retention schedule current with the law?**
Minimum periods should still match statute and regulation

03 **Are electronic records governed like paper?**
This is a frequent and costly gap in coverage

04 **Who approves exceptions to the policy?**
A single, accountable path through counsel keeps it defensible