

ADMINISTRATIVE POLICY NO. 629

1. SUBJECT: RECORDS RETENTION

2. OBJECTIVE:

2.1. The purpose of this policy is to ensure the retention of all records created by or for Beartooth Electric Cooperative, Inc. (BEC), whether paper or electronic, that are necessary or advisable to retain for: business operations; accounting, audit, tax and financial purposes; compliance with applicable law; possible future use in litigation involving BEC; and possible future use in an official proceeding or governmental investigation or other legal matter. Records which are not necessary to retain for these reasons shall be destroyed in accordance with the guidelines set forth in this policy.

3. POLICY:

3.1. Record Retention and Storage: Records of BEC, which may be in electronic or paper form, shall be retained in accordance with this policy.

3.2. Record Destruction: Records not needed to be retained shall, after the requisite period, if any, will be destroyed in an acceptable manner.

4. GUIDELINES:

BEARTOOTH ELECTRIC COOPERATIVE RECORD RETENTION PLAN October 2012		
DOCUMENT	BEC RECORD RETENTION REQUIREMENTS	RUS BULLETIN 180-2 § 125.3 RETENTION REQUIREMENTS
<u>CORPORATE PAPERS</u>		
Articles of Incorporation, By-Laws (Including all approved revisions)	Permanent - Historical (life of corporation)	Permanent
Annual Reports or Statements to Members (Generated Yearly)	5 years	5 years: RUS 180-2 (1)
Minutes of Board Meetings	Permanent - Historical (life of corporation)	5 years: RUS 180-2 (2a)
Copies of formal orders of regulatory commissions served on	Permanent - Historical (life of corporation)	6 years after non-appealable order: RUS 180-2 (2b)

utility regarding titles, franchises and licenses		
Contracts (including amendments and agreements (except contracts provided for elsewhere) a) Service contracts – management, conservation, accounting, financial services b) Contracts with others for transmission or the purchase, sale, interchange of product c) Memoranda essential to clarifying or explaining provisions of contracts	All contracts, related memoranda, revisions retained for 4 years after expiration or conclusion of any contract disputes	(a & b) All contracts, related memoranda, revisions retained for 4 years after expiration or conclusion of any contract disputes or government proceedings, whichever is later: RUS 180-2 (3a) (c) For the same periods as contracts to which they relate: RUS 180-2 (3c)
Auditors' and Accountants' Reports	Permanent - Historical (life of corporation)	5 years after date of report: RUS 180-2 (4a)
Internal audit reports and working papers	5 years after report date	5 years after date of report: RUS 180-2 (4b)
<u>INFORMATION TECHNOLOGY MANAGEMENT</u>		
Automatic data processing records, software program and revisions documentation	Retain as long as it represents a viable program or periods prescribed for related output data, whichever is shorter	Retain as long as it represents a viable program or for periods prescribed for related output data, whichever is shorter: RUS 180-2 (5)
<u>GENERAL ACCOUNTING RECORDS</u>		
General Ledgers including Subsidiary ledgers	10 years	10 years: RUS 180-2 (6a-1)
General Ledgers including Subsidiary ledgers	10 years	10 years: RUS 180-2 (6a-2)
Trial Balance	2 years	2 years: RUS 180-2 (6c)
Journals – General and Subsidiary, including supporting documentation	10 years	10 years: RUS 180-2 (7)
Journal Entries and supporting documents	10 years	10 years: RUS 180-2 (8a)
Journals – Charging Plant Accounts, including supporting documentation	25 years or life of the asset, whichever is longer	25 years or life of the asset, whichever is longer: RUS 180-2 (8b-1) & RUS 180-2 § 125.2 (g)
Cash books, Bank Statements –	5 years after close of fiscal	5 years after close of fiscal year:

General and Subsidiary	year	RUS 180-2 (9)
Budgets, Forecasts, Rate Studies	5 years	3 years: RUS 180-2 (39)
Statistics: Financial, operating, statistical reports used for internal administrative or operating purposes.	5 years	5 years: RUS 180-2 (38)
<u>ACCOUNTS PAYABLE</u>		
Vouchers – Paid and Canceled, including supporting documentation and authorizations	5 years	5 years: RUS 180-2 (11a)
Original bills and invoices for materials, services, etc. paid by vouchers	5 years	5 years: RUS 180-2 (11b)
Paid checks and receipts for payments of specific vouchers	5 years	5 years: RUS 180-2 (11c)
List of unaudited bills (accounts payable)	Destroy at option	Destroy at option: RUS 180-2 (11e)
<u>INSURANCE</u>		
Records of policies in force, showing coverage, premiums paid, /or expiration date	Destroy at option after expiration of policy	Destroy at option after expiration of policy: RUS 180-2 (12a)
Records of amounts recovered from insurance company in connection to claims for losses, including supporting documentation	6 years	6 years: RUS 180-2 (12b)
<u>OPERATIONS AND MAINTENANCE</u>		
<u>Transmission and Distribution</u>		
a) Substation and Maintenance Log	3 years	3 years: RUS 180-2 (14a)
b) Transformer & Special equipment history records	Life of equipment	Life of equipment: RUS 180-2 (14c)
c) Transformer & Special equipment inspections, test records	Life of equipment	Destroy at option: RUS 180-2 (14d)

<u>Maintenance Work Orders</u>		
a) Authorized expenditures for maintenance work to be covered by work orders, including supporting documentation	5 years or after a RUS Audit, whichever is longer.	5 years: RUS 180-2 (15a)
b) Work sheets with labor, materials and other charges posted, in connection to maintenance	5 years or after a RUS Audit, whichever is longer.	5 years: RUS 180-2 (15b)
c) Summaries of expenditures on maintenance and job orders posted to other accounts (exclusive of plant)	5 years or after a RUS Audit, whichever is longer.	5 years: RUS 180-2 (15c)
<u>PLANT AND DEPRECIATION</u>		
<u>Plant Assets & CPR Ledgers</u>		
a) Ledgers of utility plant accounts including land and other detailed ledgers showing the cost of utility plant by classes	25 years or life of the asset, whichever is longer	25 years or life of the asset, whichever is longer: RUS 180-2 (8b-1) & RUS 180-2 § 125.2 (g)
b) Continuing property inventory records, including supporting documentation	25 years or life of the asset, whichever is longer	25 years or life of the asset, whichever is longer: RUS 180-2 (8b-1) & RUS 180-2 § 125.2 (g)
Summary sheets, distribution sheets, reports, statements, papers directly supporting debits and credits to utility plant accounts not covered by construction or retirement work orders and their supporting reports.	5 years or after a RUS Audit, whichever is longer	5 years: RUS 180-2 (19)
Appraisals and Valuations made by company of its properties or investments	3 years after appraisal or after a RUS Audit, whichever is longer	3 years after appraisal: RUS 180-2 (20a)
Determinations of amounts by which property or investments will be increased or decreased as a result of mergers, acquisitions, impairments	10 years after completion of transaction	10 years after completion of transaction; after recognition of asset impairment, after the asset was increased or decreased: RUS 180-2 (20b, 1-3)

Original or reproduction of engineering records, drawings, other supporting data for proposed or as-constructed facilities (maps, diagrams, profiles, photographs, field survey notes, plot plans, engineering studies)	Retain until plant is retired (if historical significance, retain as permanent record)	Retain until retired: RUS 180-2 (21)
Contracts relating to utility plant (related to acquisition or sale of plant, related to services performed in connection to construction of utility plant)	6 years after plant is retired or sold (if historical significance, retain as permanent record) or after a RUS Audit, whichever is longer	6 years after plant is retired or sold: RUS 180-2 (22)
Records pertaining to reclassification of plant accounts to conform to RUS system of accounts, including supporting documentation	6 years	6 years: RUS 180-2 (23)
Records for accumulated provisions for depreciation and depletion of utility plant with supporting documentation	25 years	25 years: RUS 180-2 (24)
<u>Construction Work Orders – Construction Work in Progress</u>		
a) Ledgers, work orders, supplemental records	5 years after clearance to plant account or after a RUS Audit, whichever is longer	5 years after clearance to plant account, provided continuing plant inventory records are maintained; otherwise, 5 years after plant is retired: RUS 180-2 (17a)
b) Authorizations and requisitions for expenditures for additions to utility plant including original and revised or subsequent authorizations and supplemental records	5 years after clearance to plant account or after a RUS Audit, whichever is longer	5 years after clearance to plant account except where there are ongoing Federal Regulatory Commissions hearings: RUS 180-2 (17c)
c) Completion or performance reports showing comparisons of estimated to actual expenditures	5 years after clearance to plant account or after a RUS Audit, whichever is longer	5 years after clearance to plant account except where there are ongoing Federal Regulatory Commissions hearings: RUS 180-2 (17e)

<p>d) Analysis or cost reports showing materials, man-hours, etc., in connection with completed project</p> <p>e) Records and reports pertaining to progress of construction and order of job completion, similar records which do not form a basis of entries to the accounts</p>	<p>5 years after clearance to plant account or after a RUS Audit, whichever is longer</p> <p>Destroy at option or after a RUS Audit, whichever is longer</p>	<p>5 years after clearance to plant account except where there are ongoing Federal Regulatory Commissions hearings: RUS 180-2 (17f)</p> <p>Destroy at option: RUS 180-2 (17g)</p>
<p><u>Retirement Work Orders – Retirement Work in Progress</u></p>		
<p>a) Work order sheets to which are posted the entries for removal costs, materials recovered, credits to utility plant accounts for cost of plant retirement.</p> <p>b) Authorizations for retirement of utility plant, including memoranda showing the basis for determination to be retired and estimates of salvage and removal costs</p> <p>c) Registers of retirement work</p>	<p>5 years after retired or after a RUS Audit, whichever is longer</p> <p>5 years after retired or after a RUS Audit, whichever is longer</p> <p>5 years after retired or after a RUS Audit, whichever is longer</p>	<p>5 years after plant is retired: RUS 180-2 (18a)</p> <p>5 years after retired: RUS 180-2 (18b)</p> <p>5 years: RUS 180-2 (18c)</p>
<p><u>PURCHASING AND STORES</u></p>		
<p>Agreements entered into for the acquisition of goods or the performance of services – letters of intent; correspondence, master agreements, term contracts, rental agreements, purchase orders – and all supporting documents</p>	<p>6 years</p>	<p>6 years: RUS 180-2 (25a)</p>
<p>Supporting documents including accepted and unaccepted bids</p>	<p>6 years</p>	<p>6 years: RUS 180-2 (25a)</p>

and proposals		
Sale of scrap materials and supplies – authorization and contracts	3 years	3 years: : RUS 180-2 (28)
<u>Material Inventory</u>		
Material ledgers: Ledger sheets of materials and supplies received, issued, on hand	6 years after date record/ledgers were created or after a RUS Audit, whichever is longer	6 years after date record/ledgers were created: RUS 180-2 (26)
Materials and supplies received and issued: Records showing the detailed distribution of materials and supplies issued during accounting periods	6 years or after a RUS Audit, whichever is longer	6 years: RUS 180-2 (27)
<u>REVENUE ACCOUNTING AND COLLECTING</u>		
Customers' Service application and Contracts (member applications), including amendments, for extensions of service for which contributions are made by customers and others	4 years after expiration date of agreement	4 years after expiration: RUS 180-2 (29)
Rate Schedules (includes schedules suspended or superseded)	Permanent (historical BEC records)	6 years after published and rates schedules are superseded or no longer used: RUS 180-2 (30)
Maximum Demand, demand meter record cards.	1 year	1 year : RUS 180-2 (31)
Customer Accounts Records	1 year	All years for which patronage capital has not been allocated
Customer Payment Stubs	1 year	Destroy at option: RUS 180-2 (23)
Miscellaneous Billing Data	1 year	Destroy at option: RUS 180-2 (23)
Revenue summaries of operating revenues by classes of service	5 years	5 years: RUS 180-2 (33)
<u>TAX RECORDS</u>		
Tax returns and supporting schedules, supporting and related work papers including a) Income tax returns b) Property tax returns c) Sales and other use taxes d) Other taxes	10 years	2 years after final tax liability is determined: RUS 180-2 (34)

<u>BANKING - TREASURY</u>		
Statements of deposits and withdrawals with banks and others	5 years	3 years: RUS 180-2 (35a & b)
Check stubs, register, other records of checks issued	5 years	3 years: RUS 180-2 (36b)
<u>MISCELLANEOUS</u>		
Statistics: Financial, operating, statistical reports used for internal administrative or operating purposes.	5 years	5 years: RUS 180-2 (38)
Budgets, Forecasts, Rate Studies	5 years	5 years: RUS 180-2 (39)
Reports to Federal and State regulatory commissions including annual financial, operating and statistical reports	5 years	5 years: RUS 180-2 (41)
<u>Corporate</u>		
Advertising copies, related documentation (excluding advertising of employment opportunities, routine notices, invitations for bids, all of which may be destroyed at option)	2 years	2 years: RUS 180-2 (42)
Easements, Titles, Franchises, Licenses	Permanent (life of corporation)	Not specified
Securities	Permanent or expiration of security	Not specified
Capital Credits Allocations	Permanent	Not specified
RUS/CFC or other financial records relating to long term and short term loans	Life of loan	1 year after RUS loan and accounting audit
Correspondence (that is not included in supporting documentation requirements otherwise in the Record Retention Plan)	1 year unless required for supporting documentation (see specific function)	Not Specified
<u>Operations</u>		
Vehicle inspection reports Vehicle maintenance reports	Inspection - 6 months Maintenance Reports - Life of Vehicle	Not specified
Electrical Wiring Permits (State)	10 years	Not specified
Employment benefit and pension	7 years after termination	Federal and State labor laws apply

records		
Employment applications	60 days	Federal and State labor laws apply
Accident reports (individual employee)	7 years after termination	Not specified
Safety Meeting Records/Tool Inspections	3 years	Not specified (Federal and State safety laws apply)
<u>General Office/Billing</u>		
Meter Reading Records	1 year	Not specified
Service Orders	1 year	Not specified

5. LITIGATION SPECIFIC DOCUMENT RETENTION:

5.1. BEC and its employees have a duty to retain documents and other types of records in all forms in the event of actual or certain potential threats of litigation, legal proceedings, investigations, subpoenas, so that records are preserved. These include hard copies, e-mails, Web files, text files, PDF files, database records and transactions, all word processing or other formatted files. This policy applies to all documents stored as either hard copy or electronic copy on desktop/laptop machines, BEC servers and other computer systems, personal digital assistants (PDAs) or any other media used by BEC personnel for business purposes. Employees will be notified of a Litigation Hold and what that Litigation Hold requires. An employee's failure to stop disposing of records upon receipt of a Litigation Hold notice can subject BEC to liability and other legal exposure, can subject the employee to discipline, up to and including an unpaid suspension or termination.

5.2. Separate from the obligation to retain documents subject to Litigation Hold, employees may be obligated upon notice, to retain or preserve data and documents in order to comply with the applicable laws, regulations and BEC policies.

6. RESPONSIBILITY:

6.1. The individual(s) designated by the General Manager will have the responsibility of fulfilling the duties listed in this policy.

Adopted: 02/22/2013
 Revised: 06/30/2015
 Reference: BEC I-B-8
 Review Date: June 2017

Attest: /s/ Richard Nolan
 Secretary/Treasurer

Attest: /s/ Roxie Melton
 Board President