

STRUCTURAL BUILDING COMPONENTS MAGAZINE

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Knowledge Is Power

Records Retention by Kirk Grundahl

Every year at BCMC we have a manufacturers' roundtable discussion on Thursday afternoon. The primary topic of discussion this year was on how long to retain our records. I was looking for another item and ran across this information on the topic in our Chapter President's Handbook.

OPERATIONAL MEMORANDUM—RECORDS RETENTION

(From Kent Pagel, WTCA Legal Counsel)

I understand WTCA has fielded calls from members on the subject of records retention. "Rules of Thumb" regarding corporate records retention will vary from state to state and by federal enforcement jurisdiction. With respect to corporate records, members should check with their attorneys. With respect to financial records, members should check with their accountants. Note further that the IRS has some guidelines on what should be retained and for how long. The IRS, furthermore, looks for adequacy and accuracy in record keeping.

With respect to the component manufacturing industry, many may want to know how long to retain shop drawings, placement plans and other documents relating to the sale, design, manufacture and delivery of their components. Again, state law must be consulted, although generally, state law will not address these issues. The determination of how long to keep records is usually the choice of the individual company. Even with respect to engineering documents, the informal searches that we have made in the past generally suggest that no law governs the length of retention issue. I need to advise, however, that some state engineering boards take the position that engineering records need to be retained indefinitely. We could undertake a national search of each state to confirm whether any specific law applies, but this would take a great deal of time and involve a somewhat significant expense. It may very well behoove individual chapters to make such inquiries of the respective state engineering boards in their regions.

RECORDS RETENTION: HOW LONG AND WHAT TO KEEP:

| Corporate/Financial/Operational Records | Number of Years |
|---|---|
| Articles of Incorporation | Permanently |
| Audited Financial Statements | Permanently |
| Bylaws/Corporate Minutes | Permanently |
| Copyrights and Trademarks | Permanently |
| Current/Expired Service Contracts | 7 Years or Permanently |
| General Ledgers (Cash and Disbursement) | 7 Years or Permanently |
| Insurance Policies-General | Permanently |
| Insurance Claims/Accident Reports, etc. | 3 - 7 Years |
| IRS Taxpayer Reports/Notices | Permanently |
| Legal/Tax Correspondence | Permanently |
| Payroll Journals/Summaries | 7 Years |
| Payroll Tax Returns | Permanently |
| Pension Plan Trust Agreements | Permanently |
| Pension/Profit Sharing Returns | Permanently |
| Personnel Records-General | 5 Years After Termination unless a claim is outstanding |
| Property Tax Returns | Permanently |
| Sales/Property Agreement Letters | Permanently |
| Sales and Use Tax Returns | Permanently |
| Tax Returns and Backup | 7 Years or Permanently |
| | 7 Years or Permanently |

This reinforced to me that the issues that concern us today are similar to the issues that we have faced in the past and, in all likelihood, will have to deal with in the future. To this end, we are embarking on a management information system that will be implemented on our web site over the next few years. The best way to think of this is as an electronic encyclopedia in which you can easily find all the information that our group has ever documented on any industry topic (e. g. records retention), instantly improve your knowledge and make the best possible decision on behalf of your business. Easily accessible and accurate, fact-based knowledge truly is power.

TRUSS COLLAPSE JOBSITE INFORMATION CHECKLIST

Another issue that was raised at the roundtable in November was the need to be proactive about handling truss collapses on the jobsite. The checklist (printed in the January/February 1999 issue of WOODWORDS) is an important reminder of all the information a component manufacturer should gather immediately when notified about a truss collapse. [VIEW CHECKLIST.](#)

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