

Chapter S-L 13

RECORDS MANAGEMENT AND RETENTION

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Note: Chapter S-L 13 as it existed on June 30, 1976 was repealed and a new chapter S-L 13 was created effective July 1, 1976.

S-L 13.01 Definitions. In this chapter:

- (1) "Association" means a savings and loan association chartered under ch. 215 of the Wisconsin Statutes.
- (2) "Commissioner" means the commissioner of savings and loan or his duly authorized representative.
- (3) "Readable form" means the presentation of data in the form of visible letters and numerals readily comprehensible to an individual using his naked eye or aided by special equipment.
- (4) "Readable paper copy" means the presentation of data on paper or similar stock in the form of visible letters and numerals comprehensible to an individual unassisted by special equipment.

History: Cr. Register, June, 1976, No. 246, eff. 7-1-76.

S-L 13.03 Records management. (1) **DESIGNATION OF RECORDS MANAGER.** The board of directors of each association shall by resolution designate one employee responsible for the supervision and management of the association's program for the preservation, retention and authorized destruction of records, in accordance with this chapter and the applicable requirements of the internal revenue service and other government agencies.

(2) **PROTECTION AND STORAGE OF RECORDS.** Each association shall take reasonable precautions to protect records from damage by fire, flood or other hazards, and to safeguard records from unnecessary deterioration as a result of excessive heat, humidity, dryness or lack of proper ventilation. Adequate safeguards shall be maintained to protect records from access or removal by unauthorized persons.

(3) **USE OF RECORDS MANAGEMENT CENTERS; CONDITIONS.** An association may utilize a records storage center or records management service to provide the facilities or services required under this chapter, if:

- (a) The association's board of directors by resolution designates the center or service; and

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(b) The center or service agrees in writing to comply with the requirements of this chapter and to produce the records of the association in a timely fashion for inspection by the commissioner upon request.

History: Cr. Register, June, 1976, No. 246, eff. 7-1-76.

S-L 13.05 Authorized record-keeping media. For purposes of this chapter, records may be retained in any of the following media forms:

- (1) Paper or similar stock.
- (2) Punched tape.
- (3) Microforms, including microfilm, microfiche, aperture cards and computer output microfilm.
- (4) Metallic recording data strips.
- (5) Magnetic tape, if the required retention period of the stored data is 5 years or less.
- (6) Any other medium form approved by the commissioner, provided that it has a standard life expectancy equal to or exceeding the required retention period of the stored data.

History: Cr. Register, June, 1976, No. 246, eff. 7-1-76.

S-L 13.07 Record-keeping standards. (1) **RECORD SERIES MAINTAINED IN FORMS OTHER THAN READABLE ENTRIES ON PAPER.** Unless a record series is maintained in the form of readable paper copy:

(a) *Introduction and closing.* Each series shall contain as part of the record:

1. An introduction indicating the title of the series, the date and nature of the records contained.
2. A closing statement indicating the close of the series and the date of its completion.
3. A certificate prepared by the individual responsible for validating the data contained indicating that the series consists of original records or direct and accurate reproductions of records, and has been made in accordance with prescribed instructions.

(b) *Organization.* Each series shall be arranged and indexed in a manner facilitating the location of individual records and their reproduction in readable form.

(c) *Periodic checks for damage or deterioration.* Each series shall be periodically checked for damage or deterioration. A record of such checks shall be maintained by the employee designated under S-L 13.03 (1). Necessary measures shall be taken to reproduce or regenerate damaged or deteriorated records to assure their preservation for the duration of their required retention period.

(d) *Availability for examination.* The association shall provide at its expense such facilities, equipment or services as may be necessary to enable the commissioner to conveniently examine and reproduce individual records in the series.

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(2) **MICROPHOTOGRAPHY STANDARDS.** Microphotography used to commit an association's records to microform shall comply with national bureau of standards requirements for the permanency of film images and shall be so certified by the preparer.

(3) **CORRECTION OF MICROFORM RECORDS.** (a) *Cutting of microfilm restricted.* Where a correction must be made to a record series retained on an original roll of microfilm, the original roll may not be cut.

(b) *Identification of corrected data.* If a correction has been made in a microform record series, the introduction to the series shall indicate the corrections made and shall contain a cross reference to the location of the corrected records.

History: Cr. Register, June, 1976, No. 246, eff. 7-1-76.

S-L 13.09 Certain stored records to be periodically prepared in readable form. (1) **GENERAL LEDGER HISTORY.** At the end of its fiscal year each association shall prepare in readable form a cumulative history of activity for each general ledger account during the preceding fiscal year. At the commissioner's request such histories shall be prepared on a more frequent basis.

(2) **SUBSIDIARY RECORDS.** Each association retaining its subsidiary records in a nonreadable form shall generate such records in readable form at the end of its fiscal year and at periodic intervals necessary to balance subsidiary records with control accounts.

(3) **CUSTOMER ACCOUNT HISTORIES.** A history of the account of a particular borrower or saver shall be made available to the commissioner in the form of readable paper copy within 7 days of his request.

History: Cr. Register, June, 1976, No. 246, eff. 7-1-76.

S-L 13.11 Records retention requirements. Each association shall retain its records in a manner consistent with prudent business practices and in accordance with this chapter and the applicable regulations of other state and federal agencies. Each association is required by the commissioner to retain those of its records indicated in column A for the minimum period specified in column B below:

| COLUMN A | COLUMN B |
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| (1) ADMINISTRATIVE RECORDS. | |
| (a) Corporate records, including articles of incorporation, by-laws, minutes of meetings of stockholders, members or directors, stock ledger, stock transfer records, and annual reports to members or stockholders..... | Permanently |
| (b) Signature cards | Permanently |
| (c) Regulatory approvals, including certificates of authority and expenditure authorizations | 10 years |
| (2) ACCOUNTING RECORDS | |
| (a) Records of original entry. | |
| 1. Deposit tickets..... | 2 years |
| 2. Withdrawal tickets..... | 6 years |
| 3. Evidences supporting transfers of customer funds..... | 6 years |
| (b) Posting and proof records..... | 2 years |

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- (c) Books of original entry, including daily cash receipts and disbursements summary..... 50 years
- (d) General ledger or ledger history 50 years
- (e) General journal 50 years
- (f) Customer account ledgers and histories 20 years
- (g) Records and invoices to support corporate income or expenditures..... 6 years
- (h) Automated data processing system output reports detailing daily transactions or activities..... 2 years
- (3) RECORDS PERTAINING TO ASSOCIATION ASSETS AND INVESTMENTS
 - (a) Real estate owned.
 - 1. Asset accounting records..... Asset life plus 6 years
 - 2. File documentation..... Asset life plus 6 years
 - 3. Income and expense records..... 6 years
 - (b) Association fixed assets.
 - 1. Real estate invoices and schedules..... Asset life plus 6 years
 - 2. Furniture & equipment invoices & schedules..... Asset life plus 6 years
 - (c) Investments in securities and service corporations, including documentation, schedules and supporting data Asset life plus 6 years
 - (d) Group benefit, retirement and deferred compensation plans..... 6 years after expiration
- (4) LENDING RECORDS
 - (a) Loan registers..... 15 years
 - (b) Loan files
 - 1. Note, loan application, mortgage or financing statement, title opinion or title insurance policy, credit check and required documentation Life of loan
 - 2. For builder's lot loans, subdivision loans or loans made for more than \$95,000, copies of the loan application, credit report, borrower's financial statement, appraisal, title opinion or title insurance policy, loan settlement statement and required borrower's statements..... Life of loan or 3 years from data of final disbursement, whichever is later.
 - (c) Rejected loan applications..... 2 years
 - (d) Disbursement documentation

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| 1. Plans, specifications and related materials..... | Completion of work |
| 2. Cost breakdowns, building contracts, inspection reports and payout orders.... | Life of loan or 3 years, whichever is less. |
| (e) Documentation pertaining to loan purchases and loan sales, including participation and servicing agreements | Life of loan or 3 years, whichever is longer. |
| (5) SAVINGS RECORDS | |
| (a) Duplicate savings certificates..... | Life of account. |
| (b) Affidavits of loss of a passbook or certificate | 50 years |
| (c) Agreements, notices, inheritance tax releases and related materials | Life of account plus 6 years |

History: Cr. Register, June, 1976, No. 246, eff. 7-1-76.

S-L 13.13 Records to be returned to borrowers upon loan repayment. Upon repayment of a loan the association shall return to the borrower any of the following items in its possession pertaining to the repaid loan:

- (1) Cancelled note.
- (2) Mortgage and mortgage satisfaction.
- (3) Current casualty insurance policy.
- (4) Abstract or owner's title insurance policy.
- (5) Plans, specifications, or building contract.
- (6) Cancelled financing statement.
- (7) Pledged collateral.

History: Cr. Register, June, 1976, No. 246, eff. 7-1-76.

S-L 13.15 Destruction of records. Except where a longer retention period is required by another state or federal agency, the commissioner authorizes the destruction of those records specified in S-L 13.11 at the end of the applicable minimum retention period. In the destruction of records, reasonable precautions should be taken to assure the confidentiality of members' accounts.

History: Cr. Register, June, 1976, No. 246, eff. 7-1-76.

S-L 13.17 Prescribed content of certain records. (1) **GENERAL LEDGER.** Each general ledger or general ledger history shall contain all transactions affecting a given account in order of their occurrence, except that where detailed subsidiary ledgers are used to supplement the general ledger, daily totals of receipts, disbursement and transfer activ-

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ity may be substituted. Each entry shall contain the date and dollar amount of the activity, a source reference, the aggregate balance of the account after the activity, and a brief description of the nature or purpose of the entry.

(2) **SUBSIDIARY ACCOUNTS.** Each subsidiary account shall contain, in order of occurrence, all transactions affecting that particular account for the indicated period. Each entry shall contain the date and dollar amount of the activity, a source reference, the aggregate balance of the account after the activity, and a brief description of the nature or purpose of the entry. In the case of a loan payment or a receipt or disbursement on a savings account, a transaction code will be considered a sufficient description. Source references for all disbursement activity shall indicate a check number, journal number or a transaction serial number. Mortgage account histories shall also reflect accruals of unpaid interest and the cumulative payment status of the account.

History: Cr. Register, June, 1976, No. 246, eff. 7-1-76.