

# Client Record Retention Policy

## TURPEN & DECKARD LLC CLIENT DOCUMENT RETENTION POLICY

Information is an important asset of our firm. These policies apply uniformly to documents retained in either paper or electronic format. Our policy pertaining to the retention and destruction of email documents mirrors the policy for documents in other electronic or paper formats.

### DOCUMENTS TO BE RETAINED

In relation to the professional services we provide, our policy is to retain documentation necessary to support our work (including opinions, resolution of differences, conclusions and research utilized in analysis), our correspondence with clients, our work product and items of continuing significance. Drafts or other documents not utilized should not be retained. Documents transmitted as attachments via email should be considered separately from the email messages to which they are attached. Original client records will be returned to clients and will not be a part of our ongoing files.

### PROCEDURES FOR DOCUMENT STORAGE

Documents attached to and transmitted by email should be stored in machine readable format in the firm's electronic document management system in the appropriate client folders. Those email messages which contain information pertinent to the completion of a tax return or financial statement, such as a client's responses to a list of questions, should be copied in PDF or other machine-readable format and included in the source documents folder. Email messages not saved for filing in the correspondence file or other appropriate folder should be deleted.

### CLIENT RECORDS

#### Current and Former Clients:

Annual financial statements	7 years
Audit reports	7 years
Bookkeeping and payroll files	7 years
Compiled or reviewed monthly and quarterly financial statements	7 years
Forecasts & projections	7 years
Litigation support files	3 years
Pencil drafts:	
– Financial statement reports	Destroy immediately
– Tax returns	Destroy immediately

Reports with government agencies	7 years
Special reports	7 years
Tax returns	7 years
IRS audit files	7 years

Permanent files:

- Current clients	Permanent until not a client
- Former clients	7 years

**PERMANENT FILE SHOULD CONSIST OF:**

- Organizational Documents
- Operating Agreements
  - Financing agreements
  - Leases
  - Mortgages
  - Real Estate Closing documents
- Wills, Trusts, Gift Tax Returns
- Marital Agreements /Divorce decrees.

Work paper files

Current clients – audit	7 years
- comp. & review	7 years
- tax	7 years
- estate & gift tax	Permanent
- special reports	7 years
- forecasts & projections	7 years
- audit & review backup	7 years
Former clients – audit	7 years
- comp. & review	7 years
- estate and gift tax	7 years
- special reports	7 years
- forecasts & projections	7 years
- audit & review backup	7 years

All clients should be notified in writing that the Firm's policy is to destroy files, and that they may request copies of any data contained therein subject to Firm approval. We will notify clients in our annual engagement letter of the implementation of our record retention policy. Our retention policy will also be available on our website.

Retention periods commence immediately following the date of the financial statements or the taxable year in the case of tax returns and work papers.

**CLIENT PORTAL**

Client portals will be used for the exchange of documents. Documents will be removed from the portal annually. Tax returns will be stored on the portal for client access for 3 years. (i.e. 2019, 2020 and 2021).

**DESTRUCTION AND CONTROL**

Destruction of documents is as important as their storage. Paper documents other than those being returned to the client which are not to be retained in the firm's files must be shredded if they contain confidential information or sensitive data. Any paper with a social security number, a federal ID number or a client name on it must be destroyed in this manner; never just dropped in the trash. Electronic documents are destroyed by deleting them from the medium on which they are stored, and then purging the medium itself. A written list of files (both paper and electronic) to be destroyed will be reviewed by each member for clients with potential issues that may require a longer retention period. Any exceptions to the above retention policies must be approved by the Engagement Member in writing on a document retention exception log and approved by the Managing Member. (See Exhibit A for a document retention exception log form.) Exceptions should be very limited and the reason should be clearly documented.

A list of files destroyed will be maintained permanently. If we learn that a government agency is conducting an investigation into a client or that private litigation is pending or threatened (even if the firm is not directly involved), we will retain all relevant records, even if they are slated for destruction under the firm's policy and even if no request has been made for them.

**TURPEN & DECKARD., LLC DOCUMENT RETENTION EXCEPTION LOG**

DATE \_\_\_\_\_

CLIENT NAME DESCRIPTION OF DOCUMENTS AND REASON NOT DESTROYED

\_\_\_\_\_

Engagement Member

\_\_\_\_\_

Managing Member

Note: The purpose of this form is to document exceptions to the Turpen & Deckard, LLC document retention policy. The exceptions should be very limited and the reason should be clearly documented.