



Risk Tip 7.

Document Retention Policy

*Provided as a courtesy by the ACEC/MA Risk Management Forum
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The two previous risk tips discussed in general the need for project documentation. We also provided a sample index of the type of material that should be in a project work file. This risk tip will discuss in general how long documents and files should be retained.

General Document Management Policy

Purpose and Intent- Over the years, engineering firms have transitioned away from hard copy paper files to storing information electronically. Email has also become a widely used method for a majority of internal and external communications with regard to construction projects. As some documents such as contracts, designs and drawings are in hard copy format, firms may be retaining some information electronically and some information in hard copy. Without adherence to common guidance, this practice can lead to inconsistent retention practices.

Along with the modernization of the written communication, record keeping must be well positioned to respond quickly to internal requests for information or to meet clients' needs. Best business practices in record management are needed to protect engineering firms from unsubstantiated claims and to make efficient and effective use of corporate information and the project documents created.

Here are some general thoughts design firms should consider when establishing a document retention policy.

Scope and Applicability: A policy should establish guidelines for document retention for all projects. The policy needs to address both printed as well as electronic documents (email, CAD, spreadsheet, word processing files, etc.).

Any state specific requirements (e.g. Connecticut Licensed Environmental Professional or the Massachusetts Licensed Site Professional) programs or contract terms that require document and record retention durations in excess of the guidelines presented herein will apply. It is the responsibility of the licensee or registered professional or Project Manager ("PM") to ensure that the records are retained in accordance with the state specific regulations or contract terms.

Working Draft Documents should be discarded once a formal draft submittal has been made to a client for review. Only records that document the development of conclusions should be retained; i.e. – calculations. All drafts should be marked with "created" and "revision" dates.

Draft Documents submitted for Client Review should be discarded once the Client has commented and the comments have been incorporated into either a Draft for Regulatory Review or into the Final Document (**but follow client-specific retention requirements if they differ from this policy**). Retention of Client comments on drafts is crucial to documenting the client

desires and directives, so the comments themselves should be retained. Correspondence received from clients should be retained in accordance with established document retention periods.

Draft Documents Submitted for Regulatory Agency Review are documents that are in the public domain. As such, these documents should be considered the same as Final Documents and retained in accordance with established document retention periods.

Final Documents represent the final work product to the client and often represent final documents submitted for Regulatory Agency review. Therefore, these documents should be retained in accordance with established document retention periods.

Project Correspondence should be retained if they represent crucial decision making records, approvals of contracts/addenda.

E-Mail Correspondence should be retained if they represent crucial decision making records, approvals of contracts/addenda. Firms need to decide if they are to print out and save hard copies of the e-mails or if they will be stored electronically. If e-mails are to be stored electronically they should be placed in the appropriate project directory.

Document Retention Periods

How long you keep records will vary depending upon the type of work, i.e. studies as compared to actual design. Some types of projects may require a longer retention period. At the very least, crucial project documentation should be retained for as long as the statute of repose in the state where the project is located. ACEC has a published list that shows what the statutes of repose are in all 50 states. By definition, the statute of repose is the period of time after which a project is completed, in which the design professionals and contractors involved with the project are still liable for loss or claims arising out of the project. Since the statute does not begin to run until *substantial completion*, a firm's project retention period should be measured from the date of project closure; NOT the date that you may have completed your services on the project. Also, if a project is subject to future audit by your client or a state or federal agency, project records must be retained until the audit has been completed, which may extend beyond the statute of repose. In that case, do not destroy the documents. As an added measure of protection, you might choose to add one additional year of retention to the statute of repose or audit completion, before destroying the documents.

Notation of Retention Period – A helpful tip that you might consider at the commencement of the project is to note on the electronic or hard copy file, how long the records should be retained after project completion. This will eliminate the need of having to recheck the file years later when you are about to destroy the records to see if there may be any special contract requirements that supersede the statute of repose.

For guidance and assistance in establishing a document retention policy, firms should consult qualified legal counsel.

This ACEC/MA Risk Tip is intended to provide current and accurate information to assist the reader in becoming more familiar with the subject matter. It is informational only and not intended to substitute for technical, legal, or risk management professional advice. The reader is encouraged to consult with an attorney or appropriate professional consultant to explore this information further.

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