

# **Alabama State Banking Department**



## **Functional Analysis & Records Disposition Authority**

**Presented to the  
State Records Commission  
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# **Functional and Organizational Analysis of the Alabama State Banking Department**

## **Sources of Information**

Representatives of the Bureau of Loans, Alabama State Banking Department  
Code of Alabama 1975, Section 5-1 A-1 through 5-1 A-9  
Code of Alabama 1975, Section 5-2A-1 through 5-2A-83  
Code of Alabama 1975, Section 5-3A-1 through 5-3A-17  
Code of Alabama 1975, Section 5-8A-1 through 5-8A-46  
Code of Alabama 1975, Section 5-11 A-1 through 5-11 A-37  
Code of Alabama 1975, Section 5-18-1 through 5-18-24  
Code of Alabama 1975, Section 5-18A-1 through 5-18A-22  
Code of Alabama 1975, Section 5-19-1 through 5-19-33  
Code of Alabama 1975, Section 5-19A-1 through 5-19A-20  
Code of Alabama 1975, Section 5-25-1 through 5-25-18  
Code of Alabama 1975, Section 5-26-1 through 5-26-20  
Code of Alabama 1975, Section 13A-9-130

## **Historical Context**

The Alabama State Banking Department was created in 1911. The Alabama State Banking Department is the state agency that regulates and examines banks and trust companies chartered by the State of Alabama. The department also has regulatory and licensing authority over non-depository lenders under the Alabama Small Loan Act, Alabama Pawnshop Act, Alabama Consumer Credit Act, the Deferred Presentment Services Act, the Mortgage Brokers Licensing Act, and the Alabama Secure and Fair Enforcement for Mortgage Licensing Act of 2009 (Alabama SAFE Act).

## **Agency Organization**

The Alabama State Banking Department is led by the Superintendent of Banks. The Superintendent is appointed by the governor with the consent of the senate. The superintendent serves during the governor's term-of-office and may be removed from office for cause as listed in § 5-2A-6, Code of Alabama with a two thirds vote of the Alabama Banking Board. The superintendent may be removed without cause upon the written order of four of the appointed members of the Alabama Banking Board and the governor. The superintendent has the right to appoint or employ one or more deputy superintendents, as well as other assistants, employees and attorneys as are necessary to operate the Alabama State Banking Department (§ 5-2A-15).

The governor also appoints a Banking Board consisting of the superintendent, who serves as an ex-officio member and chairman, as well as six other members. All members are confirmed by the senate before commencing their service on the board. Appointments are for six years and are staggered such that two of the six appointed member's appointments lapse every February

1st of an odd numbered year. All members reside in different congressional districts. Members of the board may be removed for cause as listed by § 5-2A-6, Code of Alabama, by a two-thirds majority the Banking Board.

The superintendent has the right to appoint or employ one or more deputy superintendents, and any other assistants, employees or attorneys as is necessary. The deputy superintendent shall have the statutory authority to exercise the powers of superintendent in the superintendent's absence (§ 5-2A-15).

Under the authority and appointment of the Superintendent of Banks shall be the Supervisor of the Bureau of Loans. Said supervisor is in charge of administering and enforcing all provisions of Chapter 18 of Title 5 and as otherwise provided in the Banking Code (§ 5-2A-80).

The Alabama State Banking Department is one of the agencies primarily responsible for carrying out the Regulatory function of Alabama Government.

## **Agency Function and Subfunctions**

The mandated function of the Alabama State Banking Department is to administer the laws of this state which regulate or otherwise relate to corporations doing or carrying on a banking business in this state as well as all laws relating to persons, firms, or corporations engaging in the consumer loan business. The Superintendent of Banks not only oversees the regulation of all Alabama state-chartered banks but also oversees, through the Supervisor of the Bureau of Loans, the regulation of non-depository lenders (§ 5-2A-1). In the performance of its mandated functions, the Alabama State Banking Department engages in the following subfunctions.

- **Promulgating Rules and Interpreting Laws.** The Alabama State Banking Department may issue reasonable rules and regulations as well as written interpretations of laws and regulations. This subfunction encompasses activities pertaining to the adoption, amendment, or repeal of regulations or interpretation of laws.
- **Regulating.** Each state-chartered bank or trust company is examined at least every eighteen months as dictated by statute. An examination report is then compiled from this examination. Any institution that is deemed to be in a problem condition is examined more frequently. Banks that are found to be in a problem condition are placed under an enforcement action and monitored closely. Should the superintendent determine that a bank is not operating in a safe and sound manner or cannot meet its obligations as outlined in §5-8A-20, Code of Alabama, then the superintendent may, in a hearing, submit the bank 's default or misconduct to Alabama's Banking Board. If a majority of the board so directs, the superintendent may take possession of the bank. The superintendent, upon vote of the Banking Board, may also assess civil monetary penalties on a bank or bank holding company (§ 5-2A-20). The superintendent, with the concurrence of the Banking Board, may also remove an individual from banking or assess civil monetary penalties against officers or employees of a bank that engages in wrong doing (§ 5-2A-12). Certain actions by a state-chartered bank or trust company

(e.g. opening a branch, merging with another state-chartered bank) require the completion of an application to gain approval from the Superintendent of Banks.

The Bureau of Loans has examination authority under the Consumer Credit Act, the Small Loan Act, the Deferred Presentment Services Act, the Mortgage Brokers Licensing Act, and the Alabama SAFE Act (§§ 5-19-24, 5-18-10, 5-18A-11, 5-25-9, and 5-26-16). Examinations of all licensees except mortgage loan originators are done on a regular schedule depending on the number of licensees and the volume of loans. Mortgage loan originators are examined on an as-needed basis due to the overlap of the Consumer Credit Act, Mortgage Broker Act, and the Alabama SAFE Act (licensees under the SAFE Act must be sponsored by a licensee under the Consumer Credit Act or Mortgage Broker Act). After conducting an examination, the loan examiner writes an examination report that details any violations that the examiner found. Then the examiner writes a letter to the licensee stating any applicable findings. The letter requires a response from the licensee within 30 days stating what actions have been or will be taken to correct any apparent violations and prevent future occurrences. . Licensees must submit proof that money was refunded to consumers in the case of overcharging.

- **Chartering.** In order to operate a state-chartered bank or trust company in Alabama, a financial institution must be chartered and have a permit issued, by the Superintendent of Banks. Applications are made to the superintendent in order to obtain a permit through a de novo process, conversion, or merger with an existing state-chartered institution. Applications are submitted according to statutorily mandated criteria and with application fees as mandated by the Alabama Banking Board.
- **Licensing.** The Bureau of Loans licenses small loan lenders, pawnshops, consumer credit lenders, payday loan lenders, mortgage brokers, and mortgage loan originators. The licensure process involves filling out and submitting an application form along with a registration fee. The application is then reviewed to ensure that the applicant satisfies the licensure requirements. Applicants, with the exception of mortgage loan originators, must re-register every year by completing a renewal application before the end of the relevant fiscal year (November 30<sup>th</sup> for pawnshops and December 31<sup>st</sup> for other licensees). Mortgage loan originators must pay a renewal fee through the Nationwide Mortgage Licensing System (NMLS) before November 1<sup>st</sup> but do not have to submit a renewal application. The Bureau of Loans database and the NMLS are used to aid in the registration, renewal, and examination of licensees.
- **Consumer Complaints.** This subfunction encompasses the department's efforts to respond to consumer complaints against state-chartered banks and trust companies as well as licensees of the Bureau of Loans. Department staff requests relevant information from the institution or person against whom the complaint was filed and works to settle the issue appropriately.
- **Investigations.** Investigations conducted by the department are institution-specific and are considered special examinations. Their expenses fall under §5-3A-4, Code of

Alabama. The electronic files relating to investigations are stored in designated folders on the agency file server. Documents for an investigation may include, but are not limited to, subpoenas, depositions, notes, and recordings.

- **Administering Internal Operations.** A significant portion of the office's work includes general administrative, financial, personnel, and claims processing activities performed to support its business operations.

**Managing the Agency.** Activities involved in managing the agency may include internal office management activities such as corresponding and communicating; scheduling; meeting; creating policies and procedures; reporting; litigating; legislating (drafting, lobbying, tracking); publicizing and providing information; managing records; and managing information systems and technology.

**Managing Finances.** Activities involved in managing finances may include the following: budgeting (preparing and reviewing the budget package, submitting the budget package to the Department of Finance, documenting amendments and performance of the budget); purchasing (requisitioning and purchasing supplies and equipment, receipting and invoicing for goods, and authorizing payment for products received); accounting for the expenditure, encumbrance, disbursement, and reconciliation of funds within the agency's budget through a uniform system of accounting and reporting; authorizing travel; contracting with companies or individuals; bidding for products and services; and assisting in the audit process.

**Managing Human Resources.** Activities involved in managing human resources may include the following: recruiting and hiring eligible individuals to fill vacant positions within the agency; providing compensation and benefits to employees; supervising employees (evaluating performance, disciplining, granting leave, and monitoring the accumulation of leave); and providing training and continuing education for employees.

**Managing Properties, Facilities and Resources.** Activities involved in managing properties, facilities, and resources may include the following: inventorying and accounting for non-consumable property and reporting property information to the appropriate authority; constructing buildings and facilities; leasing and/or renting offices or facilities; providing for security and/or insurance for property; and assigning, inspecting, and maintaining agency property, including vehicles.

# **Analysis of Record Keeping System and Records of the Alabama State Banking Department**

## **Agency Record - Keeping System**

The Alabama State Banking Department operates a hybrid record keeping system composed of paper and electronic records.

Computer System: The agency currently has a Windows 2008 R2 Active Directory (AD) Domain that is within the State of Alabama, Department of Finance, Information Services Division's (ISD) Active Directory Forest. The agency email services are hosted within the Alabama Centralized Email (ACE) system controlled and managed by ISD. Email backup is controlled by ISD.

Within its domain, the Banking Department has a mixture of physical and virtual servers providing the following services: AD controllers (security authentication), file sharing, SQL database hosting, front end application hosting, and backup services. The department has server rooms located in the Montgomery office and in the Hoover office. The network connections between and within these offices are controlled and maintained by ISD. End user workstations and laptops are configured so that all work product is stored in the designated folders on the agency file server.

In the Montgomery server room, all servers are connected to and all data resides on an HP P4500 storage array (production). The Hoover server room hosts the disaster recovery site and the servers are connected to an HP P4300 storage array (DR). Data is replicated daily from the production array to the storage array. In addition to the production to storage replication, the department employs a disk-to-tape backup method utilizing a centralized backup exec server connected to a Gateway disk array and an HP storage works LT0-5 tape autoloader. There is a five week rotation that implements weekly full backups and daily incremental backups to disk. The weekly full backup to disk occurs each Sunday and that backup data is then transferred to the LT05 tape on Monday. Daily incremental backups to disk occur nightly Monday through Friday. On Tuesday of each week our offsite storage provider will pick up the LT05 tape cartridge containing the weekly full backup and deliver the "oldest" tape in the set.

## **Records Appraisal**

The following is a discussion of the two major categories of records created and maintained by the Alabama State Banking Department; Temporary Records and Permanent Records.

**Temporary Records.** Temporary records should be held for what is considered to be their active life and disposed of once all fiscal, legal, and administrative requirements have been met. Some of the temporary records created by the Alabama State Banking Department are discussed below:

- **Charter File Workpapers.**

Correspondence, memorandum, notes on new charter applications, and other intermediate records created to facilitate the application process for a new charter bank should be kept for six years after the bank no longer holds a permit with the department.

- **Charter File Investigation Reports.** Almost the entire contents of each Alabama State-chartered bank's Charter file is a permanent record; however, a certain small number of these records are temporary including the workpapers and any new bank investigation reports. A new bank investigation report is completed when a group of people file an application to form a new bank or trust company in Alabama or when an established bank or other financial entity (thrift, trust company) files an application to convert to an Alabama state-chartered bank. These reports are kept as part of the charter file for reference and informational value but may be destroyed six years after the bank no longer holds a permit with the department.
- **Holding Company Examination Files.** The department maintains separate files for holding companies that may be examined as necessary. Files concerning holding companies are maintained independently from those banks under their control. Copies of examination reports of holding companies must be retained for a minimum of six years for their administrative and informational value. Bank holding companies and changes in bank control are governed by CFR regulation Y but there are no specific records retention time periods set forth in the regulatory text. These records may be destroyed six years after the company no longer holds a permit with the department.
- **State Chartered Bank\Trust Company Branch and Loan Production Office Application Files.** These records are created when an Alabama state-chartered bank or trust company files an application with the department for approval or consent to open a branch and/or a loan production office. These records may be destroyed six years after the bank no longer holds a permit with the department.
- **License Applications.** The Bureau of Loans receives applications for licensure under six statutes covering the following activities: small loan lenders, pawn shops, consumer credit lenders, payday loan lenders, mortgage brokers, and mortgage loan originators. These records include annual renewal applications. These records may be destroyed five years after the end of the year in which the licensee last had an active license.
- **Examination Reports and Workpapers Files.** Examinations and the work papers for examinations are created during every examination completed on a regulated financial institution. Work papers include the body of work done by a set of examiners in order to complete an official examination of a financial institution. The official examinations of the institution are kept both on line and in a paper format as part of the hard copy Examination Report file for each bank. The work papers are kept in the examiners' file for the examined institution. The Bureau of Loans examines licensees for compliance with state and federal law. Examination records include documents gathered from the licensee and official examination letters and responses from the licensee. These records are retained for six years after the end of the fiscal year in which they were created.
- **Enforcement Action Files.** These files contain enforcement actions issued by this department jointly or without the department's federal counter parts. These files also contain responses, progress reports and other enforcement-action related correspondence between the financial institution, its primary federal regulator, and the department. For

non-failed banks, these records need to be maintained for six years after the bank no longer holds a permit with the department.

- **Investigative Files.** These files contain information specific to an investigation being conducted by the department. Banking Department investigative files must be kept pending the life of the investigation and pursuant to § 5-3A-6(e), Code of Alabama, giving the department jurisdiction over directors, officers, or employees of a bank for six years from the date they cease to be with the bank or the holding company.
- **Complaint Files.** Complaints by consumers can be filed against a state-chartered or licensed lender or financial institution with the Alabama State Banking Department. These complaints are looked into by a consumer specialist. Complaints and information gathered related thereto are considered special examinations of the institutions against which each complaint was filed. These files are maintained for a period of six years from the date the file on a specific complaint was closed.

**Permanent Records.** The Government Services Division recommends the following records as permanent:

#### **Promulgating Rules and Interpreting Laws:**

- **Meeting Agendas, Minutes, and Packets of the Banking Board.** These records provide summaries of major events taking place in the department as well as records of votes taken on actions by the Board to remove an individual from the business of banking, issue a civil money penalty or actually close an institution. Although the deliberation of these events is confidential by statute, the votes taken by the board are public information (§§ 5-3A- 3 and 5-3A-11). These constitute permanent archival records of the department. **(Bibliographic Title: )** (RDA, page )
- **Regulations.** The department has the power to issue reasonable rules and regulations after providing notice through publication. Banking regulations are issued under the procedures described in §5-2A-9, Code of Alabama. In addition, the Bureau of Loans uses the Alabama Legislative Reference Service to publish proposed regulations. Once a regulation is issued, it is posted on the department's website and is kept in hardcopy. These records have historical value as they aid in completing the legislative history of consumer lending and banking regulations. **(Bibliographic Title: )** (RDA, page )
- **Opinions issued by the Superintendent of Banks.** All numbered opinions issued by the superintendent to all banks, bank holding companies, trust companies and lending licensees are official interpretations of law. These records provide evidence of the department's interpretations of law throughout history. These records have historical value as they aid in completing the interpretive history of banking laws and regulations. **(Bibliographic Title:)** (RDA, page )

- **Letters to CEOs or Trust Companies.** All letters issued by the superintendent to all CEOs of banks or trust companies giving guidance on any subject of general application are official interpretations of law. These records provide evidence of the department's interpretations of law throughout the department's history. (**Bibliographic Title:** ) (RDA, page )
- **Concise Statements of Reasoning in Issuance of Final Regulations.** Since the later 1990s, when a new regulation is promulgated, the superintendent may issue a concise statement of the principal reasons for and against its adoption. These records of original intent are important archival records relating to the evolution of regulations issued by the department. (**Bibliographic Title:** ) (RDA, page )

### **Regulating:**

- **State Chartered Bank\Trust Company Change of Control Application Files.** These records are created when an Alabama state-chartered bank or trust company files an application with the department requesting authorization to change the controlling board/body of an institution. These files are permanent as this is the core documentation of the history of the controlling interests in each bank operating in the state.
- **State Chartered Bank\Trust Company Merger Application Files.** These records are created when an Alabama state-chartered bank or trust company files an application with the department needing approval or consent for a merger. These files are permanent as this is the core documentation of bank mergers that have occurred in Alabama and one of the primary regulatory mandates of the agency.
- **Failed Bank and Trust Files.** When available, these records include the most recent two examinations showing the bank or trust in a safe-and-sound status and all subsequent exams showing the bank or trust in problem or troubled status before failure. These records also include, housed with the failed bank's Charter File, the hearing documents, memoranda, and legal orders required to close a bank and appoint a receiver for the bank as well as any subsequent analysis memoranda drafted in response to the failure. These records are maintained for educational and historical value as they provide evidence of and historical lessons on why a bank or trust failed. (**Bibliographic Title:** ) (RDA, page )
- **Inter-agency Cooperative and Information-Sharing Agreements.** Cooperative Agreements entered into by the Alabama State Banking Department with other agencies (e.g. FinCEN, CSBS, Nationwide Cooperative Interstate Agreement , FDIC, Federal Reserve) to document the department 's history of cooperation, joint regulation, and ongoing work with federal and other state regulatory counterparts. (**Bibliographic Title:** ) (RDA, page )
- **Administrative Orders.** Any administrative actions taken against a licensee are maintained within the department in hardcopy. Actions from 2006 onward are published on the department's website. These records are historic documentation of the actions taken by

the Alabama State Banking Department against licensees. (**Bibliographic Title:** ) (RDA, page )

### **Chartering:**

- **Charter Files.** Almost the entire contents of each Alabama State-chartered bank's charter file is a permanent record. These include legal filings, records of shareholder meetings, original affidavits, conditional approvals, certificates of incorporations, and permits to transact business as required by law. These files document the banking institutions that have operated in Alabama through the years and are permanent records documenting a main activity of this department. The department maintains both paper and electronic copies of the files. (**Bibliographic Title:** ) (RDA, page )

### **Licensing:**

- **List of Licensees.** A list of all past and current licensees is maintained in the Bureau of Loans and on the National Mortgage Licensing Service databases. These records provide evidence of an entities existence and regulatory history. (**Bibliographic Title:** ) (RDA, page )

### **Administrating Internal Operations:**

- **Annual Reports.** The department issues an Annual Report to the Governor of Alabama as required in §5-2A-13. These reports review the efforts of the department during the previous year and gather relevant data regarding the status of the banking and consumer lending industry in Alabama. These are considered permanent, archival records of the department. (**Bibliographic Title: Annual Reports** ) (RDA, page )
- **Website and Social Media Site(s).** The Alabama State Banking Department maintains a website at <http://www.banking.alabama.gov/>. The website contains general information about the department, notices of interested to regulated entities, licensing information, banking laws, and reports regarding the activities of the department. The department may also participate in social media sites. ADAH archivists capture and preserve agency websites, and other social media sites, through a service offered by the Internet Archive (Archive-It). This series documents the office's functions and interaction with regulated entities and the public. (**Bibliographic Title: Website and Social Media Site[s]**) (RDA, p.)
- **Monthly Reports.** These records are maintained on a permanent basis in electronic format. These reports contain information regarding applications received and actions taken by the department regarding the applications. These reports give a more detailed view of the actions of the department than the information found in the annual report and are maintained for the historical value they have for the agency staff. (**Bibliographic Title: Monthly Reports** ) (RDA, page )

## **Permanent Records List**

### **Alabama State Banking Department**

#### **Promulgating Rules and Interpreting Laws:**

1. Meeting Agenda, Minutes, and Packets, of the Banking Board.
2. Banking Codes\*
3. Regulations
4. Opinions issued by the Superintendent of Banks.
5. Letters to CEOs or Trust Companies.
6. Concise Statements of Reasoning in Issuance of Final Regulations.

#### **Regulating:**

1. State Chartered Bank\Trust Company Change of Control Application Files
2. State Chartered Bank\Trust Company Merger Application Files
3. Failed Bank and Trust Files.
4. Inter-agency Cooperative and Information-Sharing Agreements.\*
5. Administrative Rule Filings.\*

#### **Chartering:**

1. Charter Files.

#### **Licensing:**

1. List of Licensees.

#### **Administrating Internal Operations:**

1. Annual Reports.
2. Website and Social Media Site(s)
3. Monthly Reports\*
4. Annual Inventory Lists\*

\*indicates records that ADAH anticipates will remain in the care and custody of the creating agency. ADAH staff is available to work with agency staff in determining the best location and storage conditions for the long-term care and maintenance of permanent records not transferred to the ADAH.

# **Alabama State Banking Department Records Disposition Authority**

This Records Disposition Authority (RDA) is issued by the State Records Commission under the authority granted by § 41-13-5 and 41-13-20 through 21, Code of Alabama. It was compiled by the Alabama State Banking Department in cooperation with representatives of the Government Services Division, Alabama Department of Archives and History (ADAH), who serve as the commission's staff. The RDA lists records created and maintained by the Alabama State Banking Department in carrying out its mandated functions and subfunctions. It establishes retention periods and disposition instructions for those records and provides the legal authority for the agency to implement records destruction.

Alabama law requires public officials to create and maintain records that document the business of their offices. These records must be protected from "mutilation, loss, or destruction," so that they may be transferred to an official's successor in office and made available to members of the public. Records must also be kept in accordance with auditing standards approved by the Examiners of Public Accounts (§§ 36-12-2, 36-12-4, and 41-5-23). For assistance in implementing this RDA, or for advice on records disposition or other records management concerns, contact the ADAH Government Services Division at (334) 242-4452.

## **Explanation of Records Requirements**

- This RDA shall govern the disposition of all records, regardless of format, created by the agency from its creation to dissolution. Please contact the staff of the Department of Archives and History before destroying any records created prior to 1940.
- This RDA supersedes any previous records disposition schedules and/or RDAs governing the retention of the Alabama State Banking Department records. Copies of superseded schedules and/or RDAs are no longer valid and should be discarded.
- The RDA establishes retention and disposition instructions for records listed below, regardless of the medium on which those records may be kept. Electronic mail, for example, is a communications tool that may record permanent or temporary information. As for records in any other format, the retention periods for e-mail records are governed by the requirements of the subfunctions to which the records belong.
- Certain other record-like materials are not actually regarded as official records and may be disposed of under this RDA. Such materials include: (1) duplicate record copies that do not require official action, so long as the creating office maintain the original record for the period required; (2) catalogs, trade journals, and other publications received that require no action and do not document government activities; (3) stocks of blank stationary, blank forms, or other surplus materials that are not subject to audit and have become obsolete; (4) transitory records, which are temporary records created for short-term internal purposes that may include, but are not limited to, telephone call-back messages; drafts of ordinary documents not needed for their evidential value; copies of material sent for information

purposes but not needed by the receiving office for future business; and internal communications about social activities; and (5) honorary materials, plaques, awards, presentations, certificates, and gifts received or maintained by the office staff. They may be disposed of without documentation of destruction.

## **Records Disposition Requirements**

This section of the RDA is arranged by subfunctions of the Alabama State Banking Department and lists the groups of records created and/or maintained by the agency in carrying out those subfunctions. The agency may submit requests to revise specific records disposition requirements to the State Records Commission for consideration at its regular biannual meetings.

\*Denotes agency vital records, defined as records required to carry on its essential operations, to protect its legal and financial interests, and to assist in its recovery during a period of emergency or natural disaster.

### **Promulgating Rules and Regulations**

**BANK CODE (LAWS), RULES AND REGULATIONS**

Disposition: PERMANENT RECORD. Retain in Office

**\*OPINIONS ISSUED BY THE SUPERINTENDENT**

Disposition: PERMANENT RECORD

**LETTERS TO CEO'S OF STATE-CHARTERED BANKS OR TRUST COMPANIES**

Disposition: PERMANENT RECORD

**REGULATIONS**

Disposition: PERMANENT RECORD

**\*MEETING AGENDA, MINUTES, AND PACKETS, AGENDAS, AND PACKETS OF THE BANKING BOARD**

Disposition: PERMANENT RECORD

**CONCISE STATEMENTS OF REASONING IN ISSUANCE OF FINAL REGULATIONS**

Disposition: PERMANENT RECORD.

**\*ADMINISTRATIVE RULE FILINGS**

Disposition: PERMANENT RECORD. Retain in Office.

**Memoranda Regarding Notices of Proposed (Not Final) Regulations Issued for Comment**

Disposition: Temporary Record. Retain 10 years after adoption of regulation.

**Public Comments Regarding Notices of Proposed Regulations**

Disposition: Temporary Record. Retain 10 years after adoption of regulation.

Index of Public Comments Regarding Notices of Proposed Regulations  
Disposition: Temporary Record. Retain 10 years after adoption of regulation.

## **Regulating**

Holding Company Examination Files

Temporary Record: Retain until 6 years after the holding company no longer holds a permit with the department.

\*Reports of Examinations

Disposition: Temporary Record. Retain for 25 years.

Examination Letters (Bureau of Loans)

Disposition: Temporary Record. Retain for 10 years after the end of the fiscal year in which the records were created.

Enforcement Actions

Temporary Record: Retain until 6 years after the Bank no longer holds a permit with the department unless the bank failed, in which case, enforcement actions leading up to failure would be permanent records.

ORDERS OF THE SUPERINTENDENT

Disposition: PERMANENT RECORD

CONSENT ORDERS

Disposition: PERMANENT RECORD

General Correspondence Concerning Specific Institutions

Disposition: Temporary Record. Retain for 6 years after the institution no longer holds a permit with the department unless the institution failed.

Examination Work Papers

Disposition: Temporary Record. Retain 6 years after the end of the fiscal year in which the records were created.

FAILED BANK AND TRUST CHARTER, CLOSING, EXAMINATION, AND ENFORCEMENT FILES

Disposition: PERMANENT RECORD.

\*INTER-AGENCY COOPERATIVE AND INFORMATION-SHARING AGREEMENTS

Disposition: PERMANENT RECORD. Retain in office.

Administrative Action Files

Disposition: Temporary Record. Retain for 5 years after the end of the fiscal year in which the records were created.

Examination Database

Disposition: Temporary Record. Retain for 25 years.

State Chartered Bank\Trust Company Branch and Loan Production Office Application Files.  
Disposition: Temporary Record. Retain 6 years after the bank no longer holds a permit with the department.

## **Chartering**

\*CHARTER FILES. Include the following items:

- Records of shareholder meetings
- Original Affidavits
- Legal Filings
- Conditional and other approvals
- Articles of incorporations and all amendments
- Permissions to exercise trust powers
- All permits to transact business

Disposition: PERMANT RECORD.

Charter File Workpapers

Disposition: Temporary Record. Retain 6 years after the bank no longer holds a permit with the department.

Original Charter Investigation Reports

Disposition: Temporary Record. Retain 6 years after the bank no longer holds a permit with the department.

Applications for De Novo Charter

Disposition: Temporary Record. Retain 6 years after the bank no longer holds a permit with the department.

Applications for Conversion

Disposition: Temporary Record. Retain 6 years after the bank no longer holds a permit with the department.

## **Licensing**

LIST OF ALL LICENSES

Disposition: PERMANENT RECORD

Original and Renewal Applications

Disposition: Temporary Record. Retain for 5 years after the end of the year in which the licensee last had an active license.

\*Licensee Database

Disposition: Temporary Record. Retain for useful life.

## **Consumer Complaints**

Compliant Files containing Complaints Made against State-chartered Banks or Trust Companies  
Disposition: Temporary Record. Retain 6 years after file is closed.

Complaint Files containing Complaints Made against Licensees of the Bureau of Loans  
Disposition: Temporary Record. Retain 6 years after file is closed.

## **Investigations**

Investigation Files

Disposition: Temporary Record. Retain 10 years after conclusion of investigation.

Subpoenas

Disposition: Temporary Record. Retain 10 years after conclusion of investigation.

Depositions

Disposition: Temporary Record. Retain 10 years after conclusion of investigation.

Investigation Work Papers

Disposition: Temporary Record. Retain 10 years after conclusion of investigation.

Discovery Responses

Disposition: Temporary Record. Retain 10 years after conclusion of investigation.

Recordings Made Pursuant to an Investigation

Disposition: Temporary Record. Retain 10 years after conclusion of investigation.

## **Administering Internal Operations - Managing the Department**

MONTHLY REPORTS

Disposition: PERMANENT RECORD. Retain in office

ANNUAL REPORTS

Disposition: PERMANENT RECORD

Routine Correspondence (Unrelated to an individual bank.)

Disposition: Temporary Record. Retain for 3 years.

General Correspondence with other Regulators

Disposition: Temporary Record. Later of 5 years after creation of document or applicability.

#### General Correspondence with other State Departments

Disposition: Temporary Record. Later of 5 years after creation of document or applicability.

#### Administrative Reference Files

Disposition: Temporary Record. Retain 1 year following audit.

Records Documenting the Implementation of the department's RDA (copies of transmittal forms to Archives or State Records Center, and evidence of records destroyed, annual reports to State Records Commission)

- a. Documentation of records destroyed  
Disposition: Permanent. Retain in Office
- b. All other records  
Disposition: Temporary Record. Retain 1 year following audit.

#### Copies of Approved RDA

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the RDA is superseded.

Computer Systems Documentation (e.g. hardware/software manuals and diskettes/cds/dvds, warranties, records of access/authorities, file naming conventions)\*

Disposition: Temporary Record. Retain documentation of former system 3 years after the end of the fiscal year in which the former hardware and software no longer exists anywhere in the board and all permanent records have been migrated into a new system.

#### \*Litigation Files:

Disposition: Temporary Record. Retain 10 years after final disposition of the case.

#### PUBLICATIONS

Disposition: PERMANENT RECORD.

#### PRESS RELEASES

Disposition: PERMANENT RECORD.

#### WEBSITE AND SOCIAL MEDIA SITE(S)

Disposition: PERMANENT RECORD.

(ADAH staff captures and preserves the agency's website and other social media sites via a service offered by the Internet Archive [Archive-It]. Check the ADAH section of the Archive-It website at [www.archive-it.org/organizations/62](http://www.archive-it.org/organizations/62) to ensure your agency's website and social media(s) are captured and preserved. If your agency's website and social media site(s) are not captured by the service, please contact the Government Services Division at 334-242-4452 to get them included.)

#### **Administering Internal Operation - Managing Finances**

Records Documenting the Preparation of a Budget Request Package and Reporting of the Status of Funds, Requesting Amendments of Allotments, and Reporting Program Performance

Disposition: Temporary Record. Retain 1 year following audit.

Records Documenting the Requisitioning and Purchasing of Supplies and Equipment, Receipting and Invoicing for Goods, and Authorizing Payment for Products  
Disposition: Temporary Record. Retain 1 year following audit.

Records of Original Entry or Routine Accounting Transactions, such as Journals, Registers, and Ledgers, and Records of Funds Deposited Outside the State Treasury  
Disposition: Temporary Record. Retain 1 year following audit.

Records Documenting Requests for Authorization from Supervisors to Travel on Official Business and Other Related Materials, such as Travel Reimbursement Forms and Itineraries  
Disposition: Temporary Record. Retain 1 year following audit.

Records Documenting Contracts for Services and Their Submission to Contract Review or Personal Property  
Disposition: Temporary Record. Retain 6 years after the end of the fiscal year in which the records were created or until the completion of one audit by the Examiner of Public Accounts and the release of the Audit Report, whichever occurs later.

Records documenting the bid process, including requests for proposals and unsuccessful responses  
a. Original bid records maintained in the purchasing office of the agency for contracts over \$15,000

Disposition: Temporary Record. Retain 7 years after end of the fiscal year in which the bids were opened or the time period set by the grant if grant funds were involved, whichever is later.

b. Duplicate copies of bid (originals are maintained by the Division of Purchasing, Department of Finance)

Disposition: Temporary Record. Retain 1 year following audit.

#### Audit Reports

Disposition: Temporary Record. Retain 10 years after the release of the Audit Report by the Examiner of Public Accounts, whichever occurs later.

### **Administering Internal Operation - Managing Human Resources**

#### Position Classification Files

Disposition: Temporary Record. Retain 4 years after position is reclassified or until the completion of one audit by the Examiner of Public Accounts and the release of the Audit Report.

#### Application Materials

Disposition: Temporary Record. Retain 2 years.

#### Records Documenting Payroll (e.g. pre-payroll reports, payroll check registers)

Disposition: Temporary Record. Retain 1 year following audit.

#### Records Documenting Payroll Deduction Authorizations

Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

Records Documenting Payroll Deductions for Tax Purposes (including Form 941)  
Disposition: Temporary Record. Retain 1 year following audit.

Records Documenting an Employee's Work History - generally maintained as a personnel file  
Disposition: Temporary Record. Retain 6 years after separation of employee from the agency.

Records Documenting Employees' Daily and Weekly Work Schedules (e.g. itineraries)  
Disposition: Temporary Record. Retain 1 year following audit.

Records Documenting an Employee's Hours Worked, Leaved Earned, and Leave Taken (including time sheets)  
Disposition: Temporary Record. Retain 1 year following audit.

Records Documenting Sick Leave Donations  
Disposition: Temporary Record. Retain 1 year following audit.

Records of Final Leave Status (cumulative leave)  
Disposition: Temporary Record. Retain 6 years after separation of employee from the agency.

Employee Flexible Benefits Plan Files  
Disposition: Temporary Record. General Information - Retain until superseded.  
Other (applications, correspondence) - Retain 6 years after termination of participation in program.

State Employee Injury Compensation Trust Fund Files  
Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

Employee Training Files & Records (Identification of Training Classes/Events, Dates Attended and Records of Performance if available)  
Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

### **Administering Internal Operation - Managing Properties, Facilities and Resources**

Annual Inventory Lists  
Disposition: Retain in office (§36-16-8(1))

Transfer of State Property Forms (SD- I) (Agency copies)  
Disposition: Temporary Record. Retain 10 years after end of the fiscal year in which the records were created.

Property Inventory Cards and/or Computer Reports  
Disposition: Temporary Record. Retain 1 year following audit.

Receipts of Responsibility for Property  
Disposition: Temporary Record. Retain until return of item to property manager.

**Real Property Leasing/Renting Records**

Disposition: Temporary Record. Retain 6 years after the end of the fiscal year in which the records were created.

**Insurance Policies/Risk Management Records**

Disposition: Temporary Record. Retain 6 years after the end of the fiscal year in which the records were created.

**Building Maintenance Work Orders**

Disposition: Temporary Record. Retain 1 year.

# **Requirement and Recommendations for Implementing the Records Disposition Authority**

## **Requirement**

Under the Code of Alabama 1975, Section 41-13-21, “ no state officer or agency head shall cause any state record to be destroyed or otherwise disposed of without obtaining approval of the State Records Commission.” This Records Disposition Authority constitutes authorization by the State Records Commission for the disposition of records of the Alabama State Banking Department as stipulated in the document.

One condition of this authorization is that the office submit an annual Records Disposition Authority (RDA) Implementation Report on its records management activities, including documentation of records destruction, to the State Record Commission in April of each year.

## **Recommendations**

In addition, the Alabama State Banking Department should make every effort to establish and maintain a quality record-keeping program through the following activities:

- The Alabama State Banking Department will designate a managerial position as the agency records officer. This position is responsible for: ensuring the development of quality record keeping systems that meet the business and legal needs of the agency, coordinating the transfer and destruction of records, ensuring that permanent records held on alternative storage media (such as microforms and digital imaging systems) are maintained in compliance with national and state standards, submitting an annual report on records management activities to the State Records Commission in April of each year, and ensuring the regular implementation of the agency's approved RDA.
- Permanent records in the Alabama State Banking Department's custody will be maintained under proper intellectual control and in an environment that will ensure their physical order and preservation.
- Destruction of temporary records, as authorized in this RDA, should occur agency-wide on a regular basis—for example, after the successful completion of an audit, at the end of an administration, or at the end of a fiscal year. Despite the RDA's provisions, no record should be destroyed that are necessary to comply with requirements of the state Sunset Act, audit requirements, or any legal notice or subpoena.
- The Alabama State Banking Department should maintain full documentation of any computerized record-keeping system it employs. It should develop procedures for: (1) backing up all permanent records held in electronic format; (2) storing a back-up copy off-site; and (3) migrating all permanent records when the system is upgraded or replaced. If the agency chooses to maintain permanent records solely in electronic format, it is committed to funding any system upgrades and migration strategies necessary to ensure the records' permanent preservation and accessibility. Electronic mail may contain permanent, temporary, or transitory record information. Although e-mail records can be printed out,

filed, and retained according to the RDA's requirements, the board should preferably employ an electronic records management system capable of sorting e-mail into folders and archiving messages having long-term value

- The Alabama State Banking Department agrees to allow the staff of the State Records Commission and the Examiners of Public Accounts to examine the condition of the permanent records in agency's custody and to inspect records destruction documentation. Government Services Division archivists are available to train the agency's staff in RDA implementation and otherwise assist the agency in implementing its records management program.

The State Records Commission adopted this records disposition authority on April 22, 2015.

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Steve Murray, Chairman  
State Records Commission

Date

By signing below the agency acknowledges receipt of the retention periods and requirements established by the records disposition authority.

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John D. Harrison, Superintendent  
Alabama State Banking Department

Date