

**FINANCIAL INSTITUTIONS, DEPARTMENT OF: Banks
and banking, when books and records may be destroyed.**

April 23, 1937.

Mr. R. A. McKinley, Director,
Department of Financial Institutions,
Indianapolis, Indiana.

Dear Sir:

This will acknowledge receipt of your letter of April 21 asking for an opinion as to the right of banks to destroy their old records, such as cancelled checks, deposit slips and book records, after the lapse of considerable time.

In reply to this question, beg to say that I have been unable to find any court decisions passing upon this question. Neither have I been able to find any statutory provision covering this question.

It is my opinion, therefore, that the bank is only required to keep such records intact for a reasonable length of time, which time has been construed by our courts as being co-extensive with the period fixed by statute on the limitation of actions. Since the limitation of actions on all written contracts for the payment of money is fixed at ten years it is my opinion that the bank would be perfectly safe in destroying all records of transactions after a period of ten years from the date thereof.

I can think of no exception to this rule which might arise except in cases where the bank might be dealing with infants, in which case such infant might have the right to maintain an action on any transaction within a period of two years after he reaches his majority.

Since there is no definite rule covering these matters the banking officials are granted a wide discretion subject only to such contingencies as might arise from possible claims of customers. As soon as they become satisfied that no claims can arise affecting transactions covered by their records such records may then safely be destroyed.