H1061X

include on agenda for 2/20/91 mtg.

February 1, 1991

D. M. Bailey
L. M. Call
W. H. Hernandez
R. W. LeBoeuf
H. K. Linge
R. J. Niederberger

Subject: Record Retention Agreement with IRS

I am enclosing copy of agreement reached by John Luffe with the IRS concerning our machine-sensible record retention period and automated data processing practices.

This agreement speaks for itself and indicates certain kinds of data which must be maintained by our three operating groups. We should attempt to have such records available for the periods commencing with 1986 and assure that we are in compliance beginning January 1 of this year.

At first glance, it may seem like an onerous request to maintain so many tapes and discs for so many years. On the other hand, absent such an agreement, all machine-sensible data, tapes, discs, etc. would have to be retained. This agreement allows PPG to pursue its normal record retention activity on all other records.

John or I would be pleased to discuss this with you now or at the next Tax Committee meeting should you have any questions about this agreement.

Please note that Sally Wellinger has signed off on this request and has sent copies to the Group IS Directors.

E. I. Sproull, Jr.

EIS:pm

Attachment

cc: D. W. Kiener
J. D. Luffe
J. N. Strong
S. E. Wellinger

BA 055

Int rnal Revenu S rvice

District
Director

Department of the Treasury

P. O. Box 2488, Pittsburgh, Pa. 15230

JAN 11 1991

PPG, Industries, Inc.
Attn: E. I. Sproull, Jr.
V. P. Tax Administration
Tax Administrative Department
One PPG Plaza
Pittsburgh, PA 15272

Dear Sir:

This letter is our confirmation of arrangements you made with representatives of our Examination Division concerning your machine-sensible record retention policies and automatic data processing practices.

A list of records, retention periods, and any other provisions agreed upon is enclosed. If you agree that the list conforms to our arrangements, please sign this letter and return it in the enclosed envelope. If you believe the list does not correctly state our arrangements, please notify Rich Mullen at (412) 644-2677.

Any material changes in your ADP accounting system or the record format of the machine-sensible files currently under retention should be communicated to us promptly.

If you do not keep the enclosed list of records, as required, the Service may have to apply the Civil or Criminal penalties of Section 6653(a) and 7203 of the Internal Revenue Code.

We will let you know if our future audit needs require changes in your retention practices.

Sincerely yours,

Leonard N. Hall

Leonard N. Hall
Chief, Examination Division

PPG, Industries, Inc. Concurs:

*Signature E I Sproull Jr

Name/Title VP Tax Administration

Date JANUARY 28, 1991

x S E Hullinger

Corp. Director I S

January 29, 1991

Enclosures:
List, Envelope
Copy of this letter
*Signature of Corporate Officer Required

BA 056

PPG, Industries, Inc.
ADP Record Retention Agreement

Tax Administration Department Records:

Foreign Income Recording Model (PC Based)
International Manager Data Files - Forms 5471 (PC Based)
Tax Depreciation System (Mainframe Based)

General Office:

General Ledger Authorization Accounts
Domestic Unit Trial Balances
General Ledger Expense Distribution File
Fixed Asset Files (Detail)
Vendor Master Files

Glass, Chemical and Coating & Resins Groups:

Sales Files (Detail)
General Ledger (Detail)
Accounts Payable Distribution Files
Fixed Asset Files (Detail)
Vendor Master Files

The media for storage will be either tape or disc for mainframe applications and either tape or floppy for PC based files. The retention date for these files should begin January 1, 1991. The taxpayer will make every reasonable effort to have available for our use, any files from the above accounting systems, for the tax periods 1987 through 1990, that are not being retained under previous retention agreements.

The file retention period for each year shall be until the expiration of the statute of limitations (including extensions thereof) for such year or upon receipt of a Revenue Agent's report for such year, whichever is earlier.

Hard copy records shall continue to be retained in accordance with Revenue Procedure 86-19.

OTHER PROVISIONS AGREED UPON:

1. Program documentation in connection with the files listed above shall be retained along with the data. Such documentation should include:

    a. record formats,
    b. label descriptions,
    c. source program listing,
    d. flow charts and/or a narrative description in sufficient detail to explain the programs used for the processing of the above files.

PPG, Industries, Inc.
ADP Record Retention Agreement

OTHER PROVISIONS AGREED UPON (Continued):

2. All machine-sensible records retained under the provisions of this agreement shall be clearly labeled and securely stored. Damaged or missing files shall be brought to the attention of the Internal Revenue Service immediately upon discovery of same.

3. At the time of the audit, the Internal Revenue Service shall provide computer retrieval programs to access selected data from the above files. Taxpayer may supply programs to perform the same tasks.

4. Computer time on appropriate equipment will be made available at the time of the audit for those applications where it is impractical or inappropriate to move the data or files to a computer at the Internal Revenue Service.

IMPORTANT: Please read introduction before using Manual

Function I - Accounting

Section A - Cash Disbursements, Cash Receipts and Depository Records

Domestic *
Recommendations
for Operations

Description of Record	Retention Period	
Cash Disbursements		
Centralized disbursement fund (C,D,E,& F Account) records:		
Audited invoices including documentary support (except audited invoices applicable to capital transactions - see Section G, Function I)	7 Years	3
Audited invoice register	7 Years	3
Checks and check copies:		
Cancelled (paid) checks returned to the Treasurer by the bank	7 Years (See Function 17- Section B)	3
Workmen's compensation checks	7 Years	3
File copies, alphabetical and/or numerical, retained by location making disbursement	3 Years	3
Checks issued, summary of, retained by location making disbursement	2 Years	2
Dividend checks	7 Years (See Function 17- Section C)	✓
Employee expense reports	7 Years	3
Imprest fund records:		
Accounts payable vouchers including documentary support (except accounts payable vouchers applicable to capital expenditures - see Function I, Section G)	7 Years	3
Cancelled (paid) checks and check copies returned by the bank	7 Years	3
Check register	7 Years	3
Voucher register or list	2 Years	2
Payroll disbursement records	See Function I - Section F	

BA 059

3/2/87

* International needs may be different