

# LYDIA PATTERSON INSTITUTE

## DOCUMENT RETENTION AND DESTRUCTION POLICY

### I. Purpose

This Policy represents the policy of Lydia Patterson Institute (the “Organization”) with respect to the retention and destruction of documents and other records, both in hard copy and electronic media (which may merely be referred to as “documents” in this Policy). Purposes of the Policy include (a) retention and maintenance of documents necessary for the proper functioning of the organization as well as to comply with applicable legal requirements; (b) destruction of documents which no longer need to be retained and avoid unnecessary additional expense; and (c) guidance for the Board of Directors, officers, staff and other constituencies with respect to their responsibilities concerning document retention and destruction. This is part of the Organization's overall document system. There may be some documents that are worth saving for the community's sake or for the sake of alumni that go beyond the legal guidelines. Notwithstanding the foregoing, the organization reserves the right to revise or revoke this Policy at any time.

### II. Policy

#### A. Responsibilities of the Administrator

The organization's Chief Financial Officer shall be the administrator (“Administrator”) in charge of the administration of this Policy. The Administrator's responsibilities shall include supervising and coordinating the retention and destruction of documents pursuant to this Policy and particularly the Document Retention Schedule included below. The Administrator shall also be responsible for documenting the actions taken to maintain and/or destroy organization documents and retaining such documentation. The Administrator may also modify the Document Retention Schedule from time to time as necessary to comply with law and/or to include additional or revised document categories as may be appropriate to reflect organizational policies and procedures. The Administrator is also authorized to periodically review this Policy and Policy compliance with legal counsel and to report to the Board of Directors as to compliance. The Administrator may also appoint one or more assistants to assist in carrying out the Administrator's responsibilities, with the Administrator, however, retaining ultimate responsibility for administration of this Policy.

#### B. Responsibilities of Constituencies

This Policy also relates to the responsibilities of board members, staff, volunteers and outsiders with respect to maintaining and documenting the storage and destruction of the organization's documents. The Administrator shall report to the Board of Directors (the board members acting as a body), which maintains the ultimate direction of management. The organization's staff shall be familiar with this Policy, shall act in accordance therewith, and shall assist the Administrator, as requested, in implementing it. The responsibility of volunteers with respect to this Policy shall be to produce specifically identified documents upon request of management, if

the volunteer still retains such documents. In that regard, after each project in which a volunteer has been involved, or each term which the volunteer has served, it shall be the responsibility of the Administrator to confirm whatever types of documents the volunteer retained and to request any such documents which the Administrator feels will be necessary for retention by the organization (not by the volunteer). Outsiders may include vendors or other service providers. Depending upon the sensitivity of the documents involved with the particular outsider relationship, the organization, through the Administrator, shall share this Policy with the outsider, requesting compliance. In particular instances, the Administrator may require that the contract with the outsider specify the particular responsibilities of the outsider with respect to this Policy.

### **C. Warning - Suspension of Document Destruction**

**All permitted document destruction shall be halted if the Organization is being investigated by a governmental law enforcement agency, and routine destruction shall not be resumed without the written approval of legal counsel or the President.**

The organization becomes subject to a duty to preserve (or halt the destruction of) documents once litigation, an audit or a government investigation is reasonably anticipated. Further, federal law imposes criminal liability (with fines and/or imprisonment for not more than 20 years) upon whomever “knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States ... or in relation to or contemplation of any such matter or case.” Therefore, if the Administrator becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, the Administrator shall immediately order a halt to all document destruction under this Policy, communicating the order to all affected constituencies in writing. The Administrator may thereafter amend or rescind the order only after conferring with legal counsel. If any board member or staff member becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, with respect to the organization, and they are not sure whether the Administrator is aware of it, they shall make the Administrator aware of it. Failure to comply with this Policy, including, particularly, disobeying any destruction halt order, could result in possible civil or criminal sanctions. In addition, for staff, it could lead to disciplinary action including possible termination.

### **D. Electronic Documents; Document Integrity**

Documents in electronic format shall be maintained just as hard copy or paper documents are, in accordance with the Document Retention Schedule. Due to the fact that the integrity of electronic documents, whether with respect to the ease of alteration or deletion, or otherwise, may come into question, emails should be printed in hard copy and kept in the appropriate related documents. Retention depends on the subject matter of the email which will to the retention guidelines below.

### III. Privacy

It shall be the responsibility of the Administrator, after consultation with counsel, to determine how privacy laws will apply to the organization's documents from and with respect to employees and other constituencies; to establish reasonable procedures for compliance with such privacy laws; and to allow for their audit and review on a regular basis.

### IV. Emergency Planning

Documents shall be stored in a safe and accessible manner. Documents which are necessary for the continued operation of the organization in the case of an emergency shall be regularly duplicated or backed up and maintained in an off-site location. The Administrator shall develop reasonable procedures for document retention in the case of an emergency.

### V. Document Creation and Generation

The Administrator shall discuss with staff the ways in which documents are created or generated. With respect to each employee or organizational function, the Administrator shall attempt to determine whether documents are created which can be easily segregated from others, so that, when it comes time to destroy (or retain) those documents, they can be easily culled from the others for disposition. For example, on an employee-by-employee basis, are e-mails and other documents of a significantly non-sensitive nature so that they might be deleted, even in the face of a litigation hold with respect to other, more sensitive, documents? This dialogue may help in achieving a major purpose of the Policy -- to conserve resources -- by identifying document streams in a way that will allow the Policy to routinely provide for destruction of documents. Ideally, the organization will create and archive documents in a way that can readily identify and destroy documents with similar expirations.

## VI. Document Retention Schedule

### **Document Type**

### **Retention Period**

#### **Accounting and Finance**

Accounts Payable (Including invoices, copies of paid checks)	7 years
Accounts Receivable (Including invoice)	7 years
Annual Financial Statements and Audit Reports	Permanent
Bank Statements, Reconciliations & Deposit Slips	Permanent
Canceled Checks – routine	7 years
Canceled Checks – special, such as loan repayment	Permanent
Credit Card Receipts	3 years
Employee/Business Expense Reports/Documents	7 years
General Ledger	Permanent
Interim Financial Statements	7 years
Purchase orders	3 years

#### **Contributions/Gifts/Grants**

Contribution Records	Permanent
Documents Evidencing Terms of Gifts	Permanent
Grant Records	7 yrs after end of grant period

#### **Corporate and Exemption**

Articles of Incorporation and Amendments	Permanent
Bylaws and Amendments	Permanent
Minute Books, including Board & Committee Minutes	Permanent
Corporate resolutions	Permanent
Annual Reports to Attorney General & Secretary of State	Permanent
Other Corporate Filings	Permanent
IRS Exemption Application (Form 1023 or 1024)	Permanent
IRS Exemption Determination Letter	Permanent
State Exemption Application (if applicable)	Permanent
State Exemption Determination Letter (if applicable)	Permanent
Licenses and Permits	Permanent
Employer Identification (EIN) Designation	Permanent

#### **Correspondence and Internal Memoranda**

Hard copy correspondence and internal memoranda relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document to which they relate.

Hard copy correspondence and internal memoranda relating to routine matters with no lasting significance	Four years
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Correspondence and internal memoranda important to the organization or having lasting significance	Permanent, subject to review
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**Employment, Personnel and Pension**

Personnel Records	10 yrs after employment ends
Employee contracts	10 yrs after termination
Employment Applications	3 yrs
Retirement and pension records	Permanent
Time sheets/time cards	10 yrs

**Insurance**

Property, D&O, Workers' Compensation and General Liability Insurance Policies	Permanent
Insurance Claims Records	Permanent

**Legal and Contracts**

Contracts, leases, related correspondence and other supporting documentation	10 yrs after termination
Current contracts, leases	Permanent
Legal correspondence	Permanent

**Management and Miscellaneous**

Strategic Plans	7 years after expiration
Disaster Recovery Plan	7 years after replacement
General correspondence	2 years
Intellectual property	Permanent
Policies and Procedures Manual	Current version with revision history
Marketing documents	7 Years
Press releases	Permanent

**Property – Real, Personal and Intellectual**

Property deeds and purchase/sale agreements	Permanent
Property Tax	Permanent
Real Property Leases	Permanent
Personal Property Leases	10 years after termination
Trademarks, Copyrights and Patents	Permanent

**Tax**

Tax exemption documents & correspondence	Permanent
IRS Rulings	Permanent
Annual information returns – federal & state	Permanent
Tax returns	Permanent