

## CAPITAL AREA UNITED WAY

### **POLICY:** Record Retention and Destruction Policy

**Purpose:** These policies provide for the systematic review, retention and destruction of records received or created by Capital Area United Way in connection with the transaction of business. These policies cover all records, regardless of physical form including electronic records, contain guidelines for how long certain records should be kept and how records should be destroyed.

### **Diversity Pledge of Capital Area United Way**

These policies are designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records and to facilitate Capital Area United Way's operations by promoting efficiency. Included in the federal laws necessitating compliance with these policies is the Sarbanes-Oxley Act ("The American Competitiveness and Corporate Accountability Act of 2002"), which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding.

*A record is any material that contains information about Capital Area United Way's plans, results, policies or performance. Anything that can be represented with words or numbers is a business record for purposes of these policies.*

Where federal, state, or local law prescribes a definite period of time for retaining certain records, Capital Area United Way will retain the records for the period specified by law.

Capital Area United Way shall retain records onsite for the period of their immediate or current use. Longer retention as necessary for historical reference, or to comply with contractual or legal requirements, or for other purposes as set forth below will be maintained in secure off-site storage.

Capital Area United Way follows the document retention procedures outlined below. Documents that are not listed, but are substantially similar to those listed in the schedule will be retained for the appropriate length of time.

***While the listings below contain commonly recognized categories of records, the list should not be considered as having identified all records that Capital Area United Way may need to consider for permanent and non-permanent status. From time to time, the CEO may issue a notice, known as a "legal hold," suspending the destruction of records due to pending, threatened, or otherwise reasonably foreseeable litigation, audits, government investigations, or similar proceedings. No records specified in any legal hold may be destroyed, even if the scheduled destruction date has passed, until the legal hold is withdrawn in writing by the CEO.***

*Historical records.* Historical records are records that are no longer of use to the organization but which because of their age or research value may be of historical interest or significance. Historical records may not be destroyed.

*Current Records.* Current records are records that for convenience, ready reference or other reasons are retained in the office.

*Permanent records.* Permanent records are records required by law to be permanently retained and which are ineligible for destruction at any time for any reason. These records are necessary for the continuity of business and the protection of the rights and interests of the organization and of individuals. These include records such as organizational documents (Articles of Incorporation and Bylaws), Board minutes and policies, federal and state tax exempt status documentation, tax returns and independent audits.

*Non-permanent records.* - Certain records are not required by law to be permanently retained and may be destroyed after the passage of certain years or upon the passing of events as defined by these policies.

***Notwithstanding the listing of documents, no record, whether or not referenced may be destroyed if in any way the records refer to, concern, arise out of or in any other way are involved in pending or threatened litigation.***

Corporate Records	
Annual Reports to State of Michigan	Permanent
Articles of Incorporation	Permanent
Board Meeting and Committee Minutes	Permanent
Board Policies and Resolutions	Permanent
By-laws	Permanent
Contracts (after expiration)	7 years
Correspondence (general)	3 years
Fixed Asset Records	Permanent
IRS Determination Letter	Permanent
License to Solicit	Permanent

Accounting and Corporate Tax Records	
Annual Audits and Financial Statements	Permanent
Depreciation Schedules	Permanent
General Ledgers	Permanent
Form 990 Tax Returns	Permanent

Business Expense Records	7 years
Form 1099s	7 years
Journal Entries	7 years
Invoices	7 years
Campaign Records	7 years
Petty Cash Vouchers	3 years
Cash Receipts	3 years
Credit Card Receipts	3 years

Bank Records	
Bank Deposit Slips	7 years
Bank Statements and Reconciliation	7 years
Check Registers	Permanent
Electronic Fund Transfer Documents	7 years
Payroll and Employment Tax Records	
Earnings Records	7 years
Garnishment Records	7 years
Payroll Registers	Permanent
Payroll Tax returns	7 years
State Unemployment Tax Returns	Permanent
W-2 Statements	7 years

Employee Records	
Accident Reports and Worker's Compensation Records	5 yrs after termination of claim
Employment Applications	3 years
Employee and Termination Agreements	Permanent
I-9 Forms	3 years after termination
Records Relating to Promotion, Demotion or Discharge	7 years after termination
Retirement and Pension Plan Documents	Permanent
Salary Schedules	5 years
Time Cards	2 years

Legal, Insurance and Safety Records	
Donor Records and Acknowledgement Letters	7 years
Grant Applications and Contracts	5 years after completion
Leases	6 years after expiration

OSHA Documents	5 years
General Contracts	4 years after termination

Capital Area United Way's records will be stored in a safe, secure and accessible manner. All electronic documents and financial files that are essential to keeping Capital Area United Way operating in an emergency will be duplicated or backed up at least every week and maintained off site. All other documents and financial files will be duplicated or backed up periodically as identified by the Chief Financial Officer or other person as designated by the President/CEO and maintained off-site.

***Storage of records***

Records may be stored in the Capital Area United Way's office if the records are in active use or are maintained in the office for convenience or ready reference. Examples of active files appropriately maintained in the organization's office space include current and previous year's campaign pledge forms, administrative files, and personnel files. Inactive records, for which use or reference has diminished sufficiently to permit removal from Capital Area United Way's office, may be sent to an off-site storage facility.

*Where no retention period specified by law.* Where no specific retention period is specified by law, the retention period for records that the organization is required to retain shall be specified in the Record Retention and Destruction Schedule. Records shall be retained for a minimum of two years, although such records may be treated as "storage records" and placed in storage at any time during the applicable retention period. Examples of current records include: correspondence, schedules and administrative records.

*Records not addressed in the retention schedule*

Records and other documents or materials that are not expressly addressed by the schedule may be destroyed at any time provided that they have been retained for the periods prescribed for substantially similar records.

*No Retention Required.* Documents and other materials that are not "records" need not be retained unless retention is otherwise required by local law or by the Record Retention and Destruction Schedule. Documents and other materials (including originals and duplicates) that are not otherwise required to be retained, are not necessary to the functioning or continuity of the organization and which have no legal significance may be destroyed when no longer needed. Examples include materials and documents generated for the convenience of the person generating them, draft documents (other than some contracts) that have been superseded by subsequent versions, or rendered moot by organizational action, and duplicate

copies of records that are no longer needed. Specific examples include telephone message slips, miscellaneous correspondence not requiring follow-up or departmental action, notepads, emails, that do not contain information required to be retained under this policy and chronological files.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation or claim, whichever is latest.

Capital Area United Way Chief Financial Officer or other representative as designated by the President/CEO is responsible for the ongoing process of identifying its records which have met the required retention period and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against Capital Area United Way and its employees and possible disciplinary action against responsible individuals. The Chief Financial Officer or individual designated by the President/CEO and Finance Committee chair will periodically review these procedures with legal counsel or the organization's certified public accountant to ensure that they are in compliance with new or revised regulations.

Questions concerning these policies, the applicability of certain records to the retention or destruction policies, must be addressed to the Chief Financial Officer or other individual as designated by the President/CEO.