

CHILDREN OF FALLEN PATRIOTS FOUNDATION RECORDS RETENTION AND DESTRUCTION POLICY

Objectives

The purpose of this policy is to establish general standards for Children of Fallen Patriots Foundation (the “Foundation”) to implement and follow a records management program to help ensure that:

- The Foundation complies with all legal requirements.
- Vital records are protected and important historical information is preserved.
- Information no longer needed is disposed of in a proper and timely manner.
- The high cost of maintaining and storing records that are no longer necessary for business or legal reasons is reduced.

Policy

Consistent with these objectives, it is the Foundation’s policy for employees to maintain complete, accurate, properly organized and easily understandable records.

It is also the Foundation’s policy that:

- All records are retained for the period required by applicable laws and regulations;
- All records necessary for business reasons are retained for a period of time that will reasonably assure the availability of those records when needed; and
- Obsolete, duplicate, or extraneous material is separated and destroyed.

In other words, records should be retained during the period of their immediate use, for such longer time periods as the records may be useful for internal reference, and in any event, for the length of time required by law. The **Records Retention Schedule** attached to this policy specifies the minimum length of time that particular classes of records are to be retained.

Scope

This policy applies to records in the possession or control of the Foundation or its employees and officers.

Records subject to this policy are documented material on any media, either original or copy, made or received by a representative of the Foundation that (1) contain information concerning the Foundation's business; and (2) should be preserved because of legal requirements, as evidence of the Foundation's organization, policies, decisions, procedures, operations, or other activities, or because of the informational or historical value of the material to the Foundation.

- Examples of such records include: correspondence (including e-mails), internal memoranda, notes, telephone call records, calendar/diaries, drawings, maps, books, manuals, contacts, working/reference files, financing documents, financial statements and accounting documents, agreements, government/agency filings, and policies/procedures.
- This policy applies to the Foundation's records regardless of the medium in which they exist (e.g., paper, on network or individual hard drives, microfilm, tapes, images, disks, e-mails, databases, web sites, software/applications, photographs).

Responsibilities

The supervisor in each department has primary responsibility for ensuring that accurate and complete records are identified, retained, protected and subsequently disposed of in accordance with this policy and the attached retention schedules. This responsibility includes:

- Overseeing compliance with this policy in his or her department; and
- Making sure the content of this policy is communicated to employees in his or her department; and
- Supervising the implementation of this policy in his or her department.

All Foundation employees are responsible for complying with this policy. Failure to comply with this policy can result in disciplinary action up to and including dismissal.

Suspension of Records Destruction

If a government investigation, enforcement action or litigation or private party litigation has been initiated or is probable based on currently available information, any and all records related to the subject matter of the action or litigation must be maintained until completion of that proceeding. In most cases, outside counsel should be consulted promptly to determine the advisability and extent of such a suspension.

Records Review

All employees should periodically review the records they maintain for compliance with this policy. Records that are maintained in individual offices (including on electronic media, such as network or individual hard drives), at home or any other off-site locations, including off-site storage, should be reviewed and then maintained or disposed of in accordance with this policy.

Records of Departing Employees

Each Foundation supervisor is responsible for establishing a procedure for the review of records maintained by departing employees that he or she supervised to determine which records should be transferred to another employee, placed in storage or disposed of pursuant to this policy.

Disposal of Records

Records of a confidential nature should be disposed of securely. Records should be destroyed in an environmentally responsible manner. Where practical, disposed records should be recycled.

Exceptions

Requests for exceptions from the general requirements of this policy and the specific requirements of the attached Records Retention Schedule should be submitted to and, if necessary, reviewed by outside counsel.

Creation and Content of Records

Records should not be created unless necessary for a business purpose or legally required. Employees should be as clear, concise, truthful and accurate as possible when creating records or recording business information. In addition, in creating records, Foundation employees should avoid colorful language, exaggeration and unduly derogatory remarks about people, agencies or entities or their motives. Except where clearly appropriate to a particular business purpose, employees should avoid legal conclusions and speculation when creating records.

Storage of Records

General Storage – To the extent practicable, records that are maintained should be labeled so that they can be readily identified in the future if necessary. As appropriate, records should be stored securely to protect the privacy of individuals and the Foundation’s proprietary interests.

Off-Site Storage - Any records sent to off-site storage should be labeled in sufficient detail to facilitate content identification with scheduled disposition as designated in this policy. Records of similar type with similar retention periods should be packed together to facilitate the authorization of records eligible for scheduled disposition.

E-mail Retention

Administrative e-mail should be treated the same as paper documents and are subject to the document retention procedures outlined in this policy. Within 30 days after it is sent or received, business-related e-mail should be affirmatively filed either as an electronic document in a special electronic file subject to the retention policies set forth in this policy or it should be printed out and retained in paper files in accordance with this policy.

Other e-mail, including any administrative or personal e-mail, should be deleted 30 days after it is received or created. The Foundation will not retain historic e-mails on any back-up tapes, including those of the entire network, outside of this period.

Interpretation of this Policy

Foundation employees with questions regarding this policy should contact the Foundation’s Chief Financial Officer, who should consult with outside counsel as necessary.

Records Retention Schedule

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Correspondence and Internal Memoranda

General Principle: Correspondence and internal memoranda that are necessary for an understanding of a document subject to this policy should be retained for the same period as the document they relate to or support. For example, a letter that constitutes all or part of a contract or is important to clarify certain points in a contract would be retained for as long as the contract. Letters and memoranda that support a particular project should be kept with the project and maintained for the retention time of that particular project.

Correspondence or memoranda that do not relate to documents having a prescribed retention period should generally be discarded sooner in accordance with the following guidelines:

1. **To Be Retained No Longer Than One Year**

- Routine letters and notes that require no acknowledgement or follow-up, such as notes of appreciation, congratulations, transmittal letters and plans for meetings.
- Form letters that require no follow-up.
- Copies of interdepartmental or other Foundation correspondence that have a copy retained in the originating department's file.
- Letters of general inquiry and replies that complete a cycle of correspondence.
- Other letters of inconsequential subject matter or that definitely close correspondence to which no further reference will be necessary.
- Chronological correspondence files.

2. **To Be Retained for Longer Than One Year (as necessary).**

Correspondence/internal memoranda relating to non-routine matters or having significant lasting consequences should be retained for as long as they are necessary or useful for the transaction of the Foundation's business. Such records should be reviewed regularly and destroyed in accordance with this policy when no longer necessary or useful.

Organizational Records

General Principle: The Foundation will keep all legally required organizational records and other organizational records of business significance.

<u>Record Type</u>	<u>Minimum Retention Period</u>
Records of incorporation, by-laws and related amendments for the Foundation	Permanent
Corporate seals	Permanent
Corporate minute books and resolutions (board of directors, committees) for the Foundation	Permanent
Materials presented at Board of Directors and Committee meetings	Permanent

Other General Corporate/Legal Records

General Principle: The Foundation will keep all legally required documents and documents of business significance and, in addition, will keep or provide for the retention of such other documents as may have historical value.

<u>Record Type</u>	<u>Minimum Retention Period</u>
Financing documents, credit/loan agreements, commitments, etc.	10 years after satisfaction
Investigations by federal or state authorities	20 years after close of matter
Litigation files—major litigation	As determined on case by case basis
Litigation files—other litigation	1 year after expiration of appeals or time for filing appeals
Legal memoranda and opinions	5 years after the close of the matter; thereafter, review for utility and historical value
Records retention policy	Current
Requests for departure from records retention plan	10 years
Records relating to charitable gifts	7 years after completion
Records relating to restricted gifts	Permanent

Contracts

<u>Record Type</u>	<u>Minimum Retention Period</u>
Commercial contracts and related correspondence and documents	6 years after expiration or termination
Joint venture agreements	10 years after expiration or termination
Pledge agreements	6 years following completion of payment

Educational and Student Records

<u>Record Type</u>	<u>Minimum Retention Period</u>
Student transcripts	Permanent
Application and enrollment records	10 years following completion of studies
Tuition payment and financial aid records	10 years following completion of studies
Disciplinary records	10 years following completion of studies
Complaints or claims of abuse or mistreatment	10 years following completion of studies
Waivers, permissions, etc.	10 years following completion of studies

Tax Records

General principle: Tax records must be kept for as long as their contents may become material in the administration of federal, state, and local income, franchise and property tax laws.

<u>Record Type</u>	<u>Minimum Retention Period</u>
IRS determination letter	Permanent
Tax filings – Forms 990 and 990-T	Permanent
Tax bills, receipts and statements	Permanent
Tax workpaper packages—originals	Permanent (any operating division copies to be retained for 7 years)
Payroll tax records	7 years
Sale and use tax records	7 years
Excise tax records	7 years

Accounting and Financial Records

The following guidelines should be followed in determining the duration for retention of accounting and financial records. Unless otherwise noted, all retention periods begin with the filing of the income tax return to which the record applies. The retention periods stated are intended to satisfy all open tax years of the Foundation. If the period of open tax years exceeds that covered by the policy, employees will be notified to maintain additional records.

<u>Record Type</u>	<u>Minimum Retention Period</u>
<u>Cash</u>	
Bank statements and reconciliations	7 years & current
Bank deposit slips	7 years & current
Canceled checks, voucher	7 years & current
Canceled checks, payroll	7 years & current
Canceled checks, dividend	7 years & current
Cash receipts journals	Permanent
Cash disbursements journals	Permanent
Petty cash records	7 years & current
<u>Accounts Receivable</u>	
Accounts receivable ledgers*	7 years & current
Accounts receivable aged trial balance*	7 years & current
Sales invoices	7 years & current
Sales registers	7 years & current

* Applies only to year-end copy.

Record Type

Retention Period

Property and Equipment

Detailed property records (acquisition date, cost, depreciation, etc.)

7 years after disposition

Records of all costs of acquisition (invoice, installation cost, etc.)

7 years after disposition

Capital expenditure authorization

7 years & current

Internal work orders

7 years & current

Property transfer records

7 years after transfer

Authorizations for property disposition, sales & retirements

7 years after disposition

Accounts Payable

Accounts payable ledger*

Permanent

Voucher register*

Permanent

Vendor invoices (materials, supplies, services)

7 years & current

Purchase orders

7 years & current

*Applies only to year-end copy

Record Type

Retention Period

General Accounting

General ledger*

Permanent

General journals

Permanent

Journal vouchers

Permanent

Monthly closing workpapers

7 years & current

Monthly & quarterly reporting package submitted to Accounting

10 years & current

Year-end Blue Book

10 years and current

Financial Statements

Annual-audited

Permanent

* Applies only to year-end copy

Payroll Records, Benefits Records and Supporting Employee Data

General principle: Payroll records and supporting data will be kept in such a manner that the Foundation can prove that it has fulfilled its responsibilities under the Wage and Hour Rules of the Department of Labor. Also, payroll records should be such as to enable the Foundation to compute the payment of any pension or other employee benefit. Employee benefit plan documents and supporting employee data should be kept in such manner and for such periods that the Foundation can establish at all times its obligations to employees covered by the plan.

<u>Record Type</u>	<u>Minimum Retention Period</u>
<u>Payroll</u> Employee payroll files (W-2, W-4, annual earnings records)	4 years after termination, retirement or death of employee
Payroll registers	7 years from date of creation or last entry
Other payroll reports	7 years from date of creation or last entry
Timecards and daily time reports	7 years from date of creation or last entry
Worksheets and other records used to prepare reports to Department of Revenue and/or Division of Employment Security	7 years from date of creation or last entry
<u>Pension</u> Pension plan documents, summary plan descriptions, and all amendments	Permanent
Pension plan determination letters	Permanent
Financial statements	Permanent
Actuarial reports	Permanent
Associated ledgers and journals	Permanent
Vested employee folders	5 years after death if drawing benefits
Retired employee folders	5 years after death
Reports and other documents filed with the DOL and IRS	6 years from date of filing

Personnel Records

<u>Record Type</u>	<u>Minimum Retention Period</u>
Medical histories or health data	30 years after termination of employee
Earnings records	6 years after termination of employee
Personnel records, including I-9 forms, resumes, individual attendance records, records relating to leaves of absence, application forms, performance evaluations, termination papers, documents relating to transfers or promotions, exit interviews, training and qualification records and any documents relating to disciplinary actions)	7 years after termination of employee
Individual employment contracts	7 years after termination of employee
Rates of pay, bonuses, incentives, awards	7 years after termination of employee
Job descriptions	3 years after superseded
EEO-1 and EEO-2 employer information reports	4 years after filing
Applications, resumes, and related correspondence for non-hired applicants	2 years
Correspondence with employment agencies and advertisements for or other postings of job openings	4 years from date of hiring decision
Wage and salary surveys	4 years
Personnel count records	3 years
Employee handbooks	Permanent (at least one copy of each version)

Insurance Records

<u>Record Type</u>	<u>Minimum Retention Period</u>
Policies	Permanent
Certificates issued to the Foundation	Permanent
Certificates issued on behalf of the Foundation	3 years
Group insurance plans—active employees	3 years after plan is amended or terminated
Group insurance plans—retirees	Permanent or until 6 years after death of last eligible participant
Audits or adjustments	2 years after final adjustment
Claims files (including correspondence, medical records, injury documentation, etc.)	
a. Workers compensation	10 years after close of matter
b. First party	5 years after last contact with the insurer
c. Other 3 rd party	5 years after last correspondence or contact with 3 rd party
d. Long term disability	10 years after return to work, retirement or death
e. Group Life	5 years after close
Releases/settlements	25 years
Inspections	3 years
Loss runs	10 years
Journal entry support data	7 years

Property Records

<u>Record Type</u>	<u>Minimum Retention Period</u>
Original purchase, sale or lease agreement	Permanent
Correspondence, property deeds, easements, licenses, rights of way and miscellaneous documents	10 years plus approval of outside counsel
Property insurance policies	Permanent
Fixed asset ledgers (year-end run)	7 years
Mortgages	10 years after satisfaction
Building or zoning permits	1 year after expiration
Maintenance and repair—building	10 years
Maintenance and repair—machinery	5 years

Miscellaneous

Record Type

Minimum Retention Period

Books, professional periodicals and published reports

Review periodically for usefulness and discard obsolete material

Consultants reports

2 years after completion of project or program

Departmental budgets and related worksheets

2 years

Organization charts

1 year after no longer active

Policy and procedures manual—Original

Permanent

Policy and procedures manual—Copies retained by recipients

Retain current version only

Major speeches

4 years unless historical value

Internal newsletters

3 years unless historical value

Project files not otherwise classified

Review at close of project

Visitor registration logs

1 year