

S.H.A.P.E. COMMUNITY CENTER

RECORD RETENTION AND DESTRUCTION POLICY

S.H.A.P.E. Community Center a Texas non-profit organization (“*Organization*”) has adopted this Record Retention and Destruction Policy (the “*Policy*”) to ensure that its records and documents are protected, maintained, and destroyed in a manner that is consistent with the Organization’s legal requirements and the principles of good governance.

Scope of the Policy

This Policy applies to all records generated in the course of the Organization’s operations, including both original documents and reproductions, and paper and electronic documents, including records stored on computers. Attached as **Appendix A** is the Organization’s Record Retention Schedule, which sets forth the retention and disposal schedule for the Organization’s records.

Administration

The Organization’s Accountant is the person responsible for administering this Policy and implementing processes and procedures to ensure that the Policy is followed. The Accountant is authorized to undertake the following actions: (i) modify the Record Retention Schedule from time to time to ensure that it is in compliance with local, state and federal laws and includes the appropriate document and record categories; (ii) monitor local, state and federal laws affecting record retention; (iii) annually review the record retention and disposal program; and (iv) monitor compliance with this Policy.

Retention of Records

Records are to be retained for at least the minimum period required by **Appendix A**, by contract, or by applicable state law or regulation, whichever is longer. Subject to any limitation set forth in this Policy, draft, working, or reference documents should be discarded when they are superseded by a final document or are no longer in daily use. However, drafts and working documents that are exchanged externally in the course of any transaction should be retained for as long as the final documents are required to be retained. In general, the retained copy of a record should not contain personal notations, other than the author’s signature.

Destruction of Records

Records that are no longer required, or have satisfied their required periods of retention, should be destroyed in a manner that ensures that all sensitive or confidential material can no longer be read or interpreted. Paper documents should be shredded, and electronic documents should be erased or otherwise rendered unreadable.

Suspension of Destruction of Records

All records, including any electronic records, that potentially may be relevant to an official proceeding, or that are relevant to a pending or reasonably-anticipated legal proceeding, investigation or audit, must be carefully preserved and maintained for the duration of the proceeding, investigation or audit in addition to any applicable record retention period set forth in this Policy. If the Organization receives notice of, or reasonably anticipates, a legal proceeding, investigation or audit, the Accountant shall promptly inform the Organization’s

directors, officers, and contractors to suspend any further destruction of records under this Policy until such time as the Accountant, with the advice of counsel, determines otherwise.

APPENDIX A

RECORD RETENTION SCHEDULE

The following retention periods apply to both physical and electronic documents. If no physical copy of an electronic document is retained, the means to “read” the electronic document must also be retained.

Accounting, Legal and Finance

<u>Record Type</u>	<u>Retention Period</u>
Accounts payable & accounts receivable ledgers and schedules	7 years
Annual audit reports and financial statements	Permanent
Annual audit records, including work papers and other documents that relate to the audit	7 years after completion of audit
Bank statements and canceled checks	7 years
Credit card numbers	Full credit card numbers should not be retained any longer than immediate business needs and merchant account agreements dictate.
Expense reports	7 years
General ledgers	Permanent
Notes receivable ledgers and schedules	7 years
Investment records	7 years after sale of investment
Opinions of counsel	Permanent
Legal correspondence	Permanent
Legal settlement or court ruling records	Permanent

Corporate Records

<u>Record Type</u>	<u>Retention Period</u>
Corporate records (minute books, signed minutes of the Board and all committees, corporate seals, articles of incorporation, bylaws, annual corporate reports)	Permanent
Contracts and related correspondence (including any proposal that resulted in the contract and all other supportive documentation)	7 years after expiration or termination

Licenses and permits	Permanent
Trademark, Patent and Copyright registrations	Permanent

Tax Records

<u>Record Type</u>	<u>Retention Period</u>
Federal and state tax-exemption determinations	Permanent
IRS rulings	Permanent
Sales & use and other excise tax records	7 years
Tax bills, receipts, and statements	7 years
Income, franchise and property tax returns	Permanent
Annual information returns – Federal Form 990 and State returns	Permanent
IRS or other government audit records	Permanent
Payroll tax records	7 years

Insurance Records

<u>Record Type</u>	<u>Retention Period</u>
Directors and Officers insurance policy	Permanent
General Liability Insurance Policy	Permanent
Insurance claims applications, disbursements & denials	Permanent

Employment Records

<u>Record Type</u>	<u>Retention Period</u>
Employee handbooks	1 copy kept permanently
Employee personnel records, including application forms, attendance records, job or status changes, performance evaluations, termination papers, test results, training records	6 years after separation
Records pertaining to non-hired applicants, including applications and resumes, results of background checks, and related correspondence	2 years (4 years if file contains any correspondence that could be construed as an offer)

Employee benefit plans	6 years after termination of plan
Summary Plan Descriptions, Summary Annual Reports, and other ERISA records	6 years after date of filing
Records regarding job-related injuries and illnesses	5 years
Records of monitoring exposure to hazardous materials	30 years
Family and Medical Leave Act records	3 years
Form I-9	3 years after hiring, or 1 year after separation if later
Employee earnings records	7 years after separation

Property Records

<u>Record Type</u>	<u>Retention Period</u>
Property deeds, assessments, licenses, rights of way	Permanent
Property insurance policies	Permanent

Contribution Records

<u>Record Type</u>	<u>Retention Period</u>
Records of contributions	7 years
Documents evidencing terms, conditions or restrictions on gifts	7 years after funds are expended

Electronic Records

<u>Record Type</u>	<u>Retention Period</u>
Electronic mail	1 year (potentially longer if it contains an electronic record)
Electronic records (<i>e.g.</i> PDF files, word documents)	Retention period depends on subject matter of the electronic record