



DOCUMENT RETENTION AND DESTRUCTION POLICY

This policy shall become effective on September 19, 2013

The Board of Directors (“Board”) of the MHS has established the following Document Retention and Destruction Policy Guidelines to identify the responsibilities of staff, volunteers, members of the Board and external partners for maintaining and documenting the storage and destruction of the MHS’ documents and records.

1. Effective Date

January 1, 2010, updated September 19, 2013.

2. Amendment and Review

- a. Responsibility for review of these policies and recommending amendments shall be that of the Board. These Guidelines shall be reviewed annually and whenever they become inconsistent with IRS regulations or other applicable state or federal laws.
- b. To amend these Guidelines, a written amendment shall be prepared by the Ex. Director or his/her designee and submitted to the Board to be placed on the agenda of the next Board meeting.

3. General Requirements

The MHS’ staff, volunteers, members of the Board and external partners (e.g., independent contractors) are required to honor these rules.

- a. Paper or electronic documents indicated under the terms for retention below will be transferred and maintained by the human resources, legal or administrative staffs/departments or their equivalents
- b. All other paper documents will be destroyed after three years
- c. All other electronic documents will be deleted from all individual computers, databases, networks and backup storage after one year
- d. No paper or electronic documents will be knowingly destroyed or deleted if pertinent to any ongoing or anticipated government investigation, proceeding or private litigation

4. Terms for Retention

This organization shall follow 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. “Document” includes any record within the following categories in whatever form it is stored: hard copy or digitally. Records shall be placed in the custody of specific employees according to their job descriptions and administrative needs of the

organization. All storage methodologies shall be tamper-proof and searchable and shall be available in a central location.

The following outline provides minimum requirements. To the extent applicable laws or regulations are changed to require a different retention period, such law or regulations shall take precedence.

a. Corporate Records

- 1) Articles of Incorporation and Bylaws - Permanent
- 2) IRS Application for Tax-Exempt Status (Form 1023) - Permanent
- 3) IRS Determination Letter - Permanent
- 4) State Sales Tax Exemption Letter (if applicable) - Permanent
- 5) Annual Reports to Secretary of State/Attorney General - Permanent
- 6) Board Meeting and Board Committee Minutes - Permanent
- 7) Board Policies/Resolutions - Permanent
- 8) Other Corporate & Operational Policies – Permanent
- 9) Retirement and Pension Plan Documents - Permanent

b. Accounting and Corporate Tax Records

- 1) Annual Audits and Financial Statements - Permanent
- 2) Fixed Assets and Asset Depreciation Schedules - Permanent
- 3) IRS Form 990 Tax Returns - Permanent
- 4) Business Expense Records and Expense Reports - 7 years
- 5) Investment records - 7 years
- 6) IRS Forms 1099 - 7 years
- 7) General Ledgers and Journal Entries - 7 years
- 8) Invoices – 7 years
- 9) Sales Records (service fees, receipts, gift shop) - 5 years
- 10) Petty Cash Vouchers, Cash Receipts, Credit Card Receipts - 3 years

c. Bank Records

- 1) Checks for important payments and purchases - Permanent
- 2) Check Registers - 7 years
- 3) Bank Deposit Slips - 7 years
- 4) Bank Statements and Reconciliation - 7 years
- 5) Electronic Fund Transfer Documents - 7 years

d. Payroll and Employment Tax Records

- 1) Payroll Registers - Permanent
- 2) State Unemployment Tax Records - Permanent
- 3) Earnings Records - 7 years
- 4) Garnishment Records - 7 years
- 5) Payroll Tax Returns - 7 years
- 6) W-2 Statements - 7 years

e. Employment Records

- 1) Individual Personnel Files Including but not limited to Employment Offer and Termination Agreements, Records relating to promotion, demotion and discharge, performance reviews -5 years after termination
- 2) Employment Applications, resumes (non hires) – 1 year from submission
- 3) I-9 Forms - 3 years after date of hire or one year after date of termination, whichever is later
- 4) Time Cards - 3 years
- 5) Job postings - 1 year

f. Donor and Grant Records

- 1) Donor donation amounts, characteristics, and restrictions - Permanent
- 2) Donor Backup records and Acknowledgment Letters - 7 years
- 3) Grant Contracts, applications, documentation - 7 years after supporting grant payments, grant reporting expiration and correspondence
- 4) Grant Applications, if declined or denied - 3 years

g. Press Releases/Public Filings

- 1) Significant Press Releases – Permanent
- 2) Annual Reports - Permanent
- 3) Other Publications, Photos, Press clippings - 7 years

h. Legal, Insurance, and Safety Records

- 1) Legal Correspondence - Permanent
- 2) Construction Documents - Permanent
- 3) Appraisals - Permanent
- 4) Trademark and Copyright Registrations - Permanent
- 5) Environmental Studies - Permanent
- 6) Insurance Policies - Permanent
- 7) Real Estate Documents - Permanent
- 8) Stock and Bond Records - Permanent
- 9) Leases - 7 years after expiration
- 10) General Contracts - 7 years after expiration
- 11) HIPAA Compliance Records - 6 years
- 12) OSHA Documents - 5 years
- 13) Correspondence (general) - 3 years

i. Animal/Adopter Records

- 1) Master list of adopters and animals adopted – 10 years
- 2) Veterinary records - 5 years
- 3) Billing records - 7 years

j. Electronic Documents and Records

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an e-mail message, the message should be printed in hard copy and kept in the appropriate file or saved to the shared network drive where it will be included in the backups. Backup and recovery methods will be tested on a regular basis.

- 1) For databases (such as the donor management database or the operating system database):
 - a) Maintained by the Organization – if the database is maintained and backed up by the Organization, the Organization will be responsible for records retention and deletion. Since donation records promote donor relationships, there is no requirement to delete electronic records.
 - b) Maintained outside the Organization – if the database is maintained and backed up by a vendor, the vendor will be responsible for records retention and deletion. Since adoption records promote customer relationships, there is no requirement to delete electronic adoption records.

5. Emergency Planning

Records must be stored in a safe, secure, and accessible manner. Documents and financial files essential to keeping the organization operating in an emergency must be duplicated or backed up at least every week and maintained off-site.

6. Document Destruction

- a. Each person whose job description includes the custody and/or maintenance of the above documents is responsible for the ongoing process of identifying records which have met the required retention period and overseeing their destruction. Destruction of financial, personnel-related and information with employee health information will be accomplished only by document shredding.
- b. Document destruction will be suspended immediately upon issuance of a notice, known as a “legal hold”, by the Executive Director, upon any indication of an official investigation, or when a lawsuit is filed or appears imminent. During a legal hold, no specified records may be destroyed until the legal hold is withdrawn by the Executive Director. Destruction will be reinstated upon conclusion of the investigation.

7. Compliance

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against the Organization and its employees and possible disciplinary action against responsible individuals.

8. Exceptions

Exceptions to these rules and terms for retention may be granted only by the MHS Executive Director or Chairman of the Board.