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| HomeFront Standard Operating Procedure | |
| Title: Records Retention and Destruction Policy | |
| Document Owner: O'Brien, Sean (Exec. Dir.) | |
| Approver: HomeFront Board | Date Approved: 12/10/15 |

Purpose: Nonprofit organizations are required by various state and federal laws and regulations to retain specific records for varying periods of time. Additionally, some records should be retained because they have historical value – e.g., records that show the history of HomeFront, its bylaws, performance, etc. This records retention policy establishes specific time periods for which records must be kept and also helps limit accidental or innocent destruction of records. As well, it provides for the systematic review and retention of records received or created in the course of operations and establishes the time periods beyond which certain records should be destroyed on a regular and consistent basis. This policy benefits HomeFront by promoting efficiency, saving valuable physical and computer storage space and staff time and expense of reconstructing records which should have been saved.

Scope: Essentially, a “record” is any material or medium that contains information about the organization’s plans, results, policies or performance -- represented by words, numbers, audio or video. This retention policy applies equally to hardcopy materials and electronic files. Electronic files include – but are not limited to – e-mail, web files, text files, spreadsheets, “.pdf” documents, sound files and video files. Electronic documents have the same legal status as paper files. Just as it is important to identify records which must be kept, it is equally important to determine which records periodically need to be purged and destroyed.

Policy: It is the policy of HomeFront to abide by all state and Federal laws concerning the retention and maintenance of records. HomeFront will retain records for the period of their immediate or current use, unless longer retention is necessary for historical reference or to comply with contractual or legal requirements. This mandatory retention policy applies to the records and documents listed herein regardless of the form in which they exist or where the records or documents are stored, including – but not limited to – hard copy (i.e., paper) or electronic files, faxes and e-mail on network servers, desktop or laptop computers, handheld computers and other wireless devices with text messaging capabilities. The retention of records shall apply to any information created, retained or maintained in any digitized form on a hard disk, tape, diskette, cassette, floppy disk or any other magnetic storage format, electronic image (including optical disks, CDs, DVDs, etc.) or other optical technology, or any other type of electronic technology.

Responsibility for compliance: It shall ultimately be the responsibility of the Executive Director to ensure that all functions within HomeFront maintain full compliance with, and consistent application of, the policies and procedures noted herein. Responsibility for the day-to-day implementation and maintenance of the records retention policies and destruction procedures rests with the management of each functional unit within HomeFront.

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Expenses: The inherent costs associated with keeping records are obvious: costs of additional file cabinets, physical storage space, electronic storage, staff time spent locating information or handling inactive materials on a day-to-day basis. Just as there are costs associated with keeping records, there are costs associated with not keeping records; for example: costs of staff time related to having to reconstruct materials which should have been retained, the risk of fines for not complying with laws and regulations, or exposure to loss if HomeFront lacks documentation required to support its position in a dispute.

Location, storage & security of records: The place of physical or electronic storage of records will vary depending upon the type, age and volume of the records being stored. Records which are subject to rules of privacy and/or confidentiality (such as, personnel files, medical records, etc.) must be segregated from other general business records and kept in secure (i.e., locked, limited-access) storage to which access is granted only on a “need to know” basis. That security requirement will continue to exist regardless of whether the records are in active use or have been archived (i.e., became inactive and placed in a longer-term storage area such as a warehouse). Therefore, records containing information subject to rules of privacy and/or confidentiality, even when placed in archived storage in a warehouse, must continue to be segregated and have locked, limited-access, security. Just as that level of security is required for physical records, a comparable level of segregation and security must be maintained on electronic versions of those records. Segregation of those electronic records should be achieved by storage on a separate computer system – created either logically or physically – to which access is available only to those with a “need to know” that information.

In some cases the retrieval and destruction of inactive physical records can be facilitated by labeling the storage boxes -- with a “destroy after” date on each box -- during the process of packing and archiving the files. In those instances, the individual files need not be reviewed each time the destruction process is executed.

All HomeFront records that are to be retained permanently must be retained in a manner that will ensure availability in future years

Privacy Considerations: Employee and/or patient privacy laws and regulations dictate that HomeFront protect personal information. Connecticut state law penalizes any individual or business that intentionally fails to protect “personal information”. Such information includes, but is not limited to: Social Security numbers, driver’s license numbers, insurance policy account numbers, credit card numbers, bank account numbers, etc. The law imposes substantial civil penalties upon individuals and businesses for failure to protect such information. Likewise, the same penalties can be applied for failure to “destroy, erase or make unreadable” personal information during disposal of records.

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Backup of electronic records: In order to ensure that HomeFront always has available the necessary electronic records to meet its operational requirements, necessary electronic records and databases must be backed up at appropriate time intervals and in an appropriate manner to ensure that the electronic records and databases are always protected from accidental or deliberate loss.

Multiple versions and multiple copies of records: As documents were created, edited and/or updated – whether in hardcopy or electronic form – multiple drafts or revision levels may have been retained during the process of development, even though the document was intended to be saved only in its final form. In general, upon completion, all of the interim versions of documents should be destroyed and only the final version should be retained, regardless of the form of media used during its creation.

Likewise, it is counter-productive to retain within HomeFront multiple copies of a given document. Copies of electronic documents usually exist in numerous locations in “electronic filing cabinets.” Many copies are generated when documents are distributed for review by e-mail, and in many cases the e-mail messages themselves reside in the archives of the author and every recipient. The originator of a document should be considered the person responsible for retention of the document – recipients generally should not retain copies unless they have added material content to the document, provided a significant response to the originator or require the document for ongoing reference. The objective is to eliminate to the greatest extent possible the retention of extraneous and redundant information and documentation.

Destruction of records: Sensitive non-electronic records -- paper documents, correspondence, printed e-mails, printed faxes, etc. that contain information which should not be subjected to public disclosure -- will be destroyed by shredding. Such shredding can be accomplished either in-house or via a secure commercial outside shredding service. Non-electronic records which do not contain sensitive information can be disposed of through the normal office paper recycling process.

Electronic records, regardless of media type or location, will be destroyed by either expunging the files from the storage media or physical destruction of the media itself. The physical destruction of media shall include its total destruction by mechanical means so as to render it inaccessible in any manner, including, but not limited to the destruction of: diskettes, tapes, hard disk drives, optical disks (CDs, DVDs, etc.), flash memory and/or any other type of physical electronic storage which currently exists or which shall become available in the future.

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The purging and destruction of records – whether printed or electronic – will occur in a consistent fashion and on a regular schedule as set forth in the attached table of the retention periods specified by type of record. Log books must be created to record the disposal or destruction of any of the records listed in the table, with the exception of e-mail items, indicating the date and method of destruction and signed by the person performing the destruction. Those log books shall be permanently retained as noted in the attached table.

Placing a “hold” on records: The Federal Rules of Civil Procedure (FRCP) require that organizations demonstrate that their information is complete, accurate, accessible and reliable. In addition, an organization must also show “reasonable” and “good faith” efforts to comply with the FRCP. In cases where a legal or regulatory action either exists or is pending, the organization must place a “hold” on its records – both paper and electronic records – defined as “setting aside for an indefinite period of time those records that are deemed relevant to an existing or pending legal or regulatory proceeding.”

Investigations – impact on purging and/or destruction: If an official investigation is underway, one is expected to be undertaken or it is even suspected that one might be undertaken, any purging or destruction of records must immediately cease in order to avoid criminal obstruction of justice charges. In accordance with 18 U. S. Code Section 1519 and the Sarbanes Oxley Act of 2002, an organization shall not knowingly destroy a document with the intent to obstruct or influence an “investigation or proper administration of any matter within the jurisdiction of any department agency of the United States. . .or in relation to or contemplation of such matter or case.” Violation of those laws shall subject the offender(s) to significant fines and/or imprisonment.

The following table provides the requirements for retention of records at HomeFront:

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| Type of Record | Retention Period |
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| Articles of incorporation, charter, bylaws, agendas, minutes, annual reports and other corporation record | Permanently |
| Licenses & permits | Permanently |
| Operations (non-financial) records | 3 years |
| Volunteer records & background checks | 7 years |
| DEVELOPMENT & COMMUNICATIONS: | |
| Audio files, video files & web files | 3 years* |
| Donor documentation | 7 years |
| Donor Relations: copies of checks in the amount of \$5,000 or greater, offline credit card back-up, donor correspondence files, bank deposit slips & returned (unpaid) checks from bank | 3 years after filing of Foundation's IRS Form 990 |
| Quarterly newsletters | 3 years* |
| FINANCE & TREASURY: | |
| Accounts payable ledgers & schedules, vendor files, invoices | 4 years from end of fiscal year |
| Audit reports (external), financial statements (year e general ledgers, trial balance, journals | Permanently |
| Audit reports (internal) | 4 years from end of fiscal year |
| Bank reconciliations | 4 years from end of fiscal year |
| Bank statements, deposit records, electronic fund transfer documents | 4 years from end of fiscal year |
| Budgets | 7 years |
| Chart of accounts | 7 years |
| Checks (cancelled) for significant payments & purchases | Permanently |
| Checks (cancelled) for usual and customary transactions | 4 years from end of fiscal year |
| Contracts (currently in effect), leases (currently in effect) | Permanently |
| Contracts (expired), notes (expired) & leases (expire | 7 years |
| Deeds, mortgages & bills of sale | Permanently |
| Depreciation schedules | Permanently |
| Employee travel expense reports | 4 years from end of fiscal year |
| Expense analyses/expense distribution schedules | 7 years |
| Financial statements | Permanently |
| Investment records | 7 years after sale of investment |
| Loan documents & notes | Permanently |
| Tax documents, worksheets & IRS documents | Permanently |
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| GENERAL: | |
| Correspondence, general -- including e-mail & text messages | 3 years |
| Correspondence, legal and significant matters -- including e-mail & text messages | Permanently |
| Environmental reports & documents | Permanently |
| Records destruction log books | Permanently |
| INVENTORY & PROJECT RECORDS: | |
| Inventory records | 7 years |
| Project records | 3 years |
| HUMAN RESOURCES: | |
| Appraisals, promotion, demotion & discharge documentation | 7 years after employee termination |
| Employment contracts & consultant's contracts | 7 years after termination or completion |
| Employee benefits records | 7 years |
| Employee demographic info & compensation record | 3 years |
| Employment applications | 1 year from creation of the record or taking the personnel action |
| Employment Eligibility Verification -- Form I-9 | 3 years after date of hire or 1 year after termination, if later |
| Equal Employment Opportunity Commission (EEO) reports | Permanently |
| Garnishments | 7 years |
| Insurance loss runs and annual loss summaries | 10 years |
| Insurance policies (current and/or expired), accident | Permanently |
| Occupational Safety and Health Administration (OS | 7 years |
| Payroll records -- including records related to emplo | 7 years |
| Payroll registers and payroll tax records | Permanently |
| Personnel files | 7 years after employee termination |
| Retirement and pension records including Summary | Permanently |
| Time sheets | 7 years |
| Training & professional development records | 3 years after employee termination |
| Unemployment compensation benefit records & rep | 7 years after employee termination |
| Withholding tax statements | 7 years |
| Worker's compensation documentation | 10 years after case closure |

* Unless longer retention is necessary for historical reference or to comply with contractual or legal requirements.

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| INFORMATION TECHNOLOGY: | |
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| Computer Repair forms | 1 year |
| Equipment inventory records: office computers, laptop and mobile computers, printers, PDAs, cell phones, copiers, FAX machines, etc. | 7 years |
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