

## RECORD RETENTION AND DESTRUCTION POLICY

**Purpose:** The purpose of this Policy is to ensure that necessary records and documents are adequately protected and maintained and to ensure that records that are no longer needed by the Crossroads Fund or are of no value are discarded at the proper time. This Policy is also for the purpose of aiding employees of the Crossroads Fund in understanding their obligations in retaining electronic documents - including e-mail, web files, text files, sound and movie files, PDF documents, and all desktop application files or other formatted files.

**Administration:** Attached as Appendix A is a Record Retention Schedule that is approved as the initial maintenance, retention and disposal schedule for physical records of the Crossroads Fund and the retention and disposal of electronic documents. The Executive Director (the "Administrator") is the officer in charge of the administration of this Policy and the implementation of processes and procedures to ensure that the Record Retention Schedule is followed. The Administrator is also authorized to: make modifications to 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 for the Crossroads Fund to monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this Policy.

**Implementation:** Upon Board approval of the policy, the Administrator will review all current filing processes and create a system whereby all files are marked with the year they are to be disposed or if they are permanent. All file disposal will occur in January of each year, thus if a file from May 2008 is to be kept for 3 years, it will be marked for disposal in 2012 – indicating it will be disposed of in January of 2012, after its May 2011 required retention date.

### **Suspension of Record Disposal In Event of Litigation or Claims**

In the event the Crossroads Fund is served with any subpoena or request for documents or any employee becomes aware of a governmental investigation or audit concerning the Crossroads Fund or the commencement of any litigation against or concerning the Crossroads Fund, such employee shall inform the Administrator and any further disposal of documents shall be suspended until such time as the Administrator, with the advice of counsel, determines otherwise. The Administrator shall take such steps as is necessary to promptly inform all staff of any suspension in the further disposal of documents.

### **Applicability**

This Policy applies to all physical records generated in the course of the Crossroads Fund's operation, including both original documents and reproductions. It also applies to the electronic documents described above. This Policy was approved by the Board of Directors of the Crossroads Fund on (Date Approved).

### **APPENDIX A - RECORD RETENTION SCHEDULE**

The Record Retention Schedule is organized as follows:

#### **SECTION TOPIC**

- A. Accounting and Finance
- B. Contracts
- C. Corporate Records
- D. Correspondence and Internal Memoranda
- E. Electronic Documents
- F. Fundraising Grant Records
- G. Grantmaking Records
- H. Insurance Records
- I. Legal Files and Papers
- J. Miscellaneous
- K. Payroll Documents
- L. Pension Documents
- M. Personnel Records
- N. Property Records
- O. Tax Records
- P. Contribution Records
- Q. Program & Services Records

#### **A. ACCOUNTING AND FINANCE**

<b>Record Type</b>	<b>Retention Period</b>
Accounts Payable ledgers and schedules	7 years
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	7 years after completion of audit

approved April 2009

<b>Record Type</b>	<b>Retention Period</b>
to the audit	
Annual Plans and Budgets	3 years
Bank Statements and Canceled Checks	7 years
Employee Expense Reports	7 years
General Ledgers	Permanent
Interim Financial Statements	7 years
Notes Receivable ledgers and schedules	7 years
Investment Records	7 years after sale of investment
Credit card records (documents showing customer credit card number)	3 years

#### 1. Credit card record retention and destruction

A credit card may be used to pay for the Crossroads Fund's products and services:

All records showing customer credit card number must be locked in a desk drawer or a file cabinet when not in immediate use by staff.

If it is determined that information on a document, which contains credit card information, is necessary for retention beyond 2 years, then the credit card number will be cut out of the document.

## B. CONTRACTS

<b>Record Type</b>	<b>Retention Period</b>
Contracts and Related Correspondence (including any proposal that resulted in the contract and all other supportive documentation)	7 years after expiration or termination

## C. CORPORATE RECORDS

Record Type	Retention Period
Corporate Records (minute books, signed minutes of the Board and all committees, corporate seals, articles of incorporation, bylaws, annual corporate reports)	Permanent
Licenses and Permits	Permanent

## D. CORRESPONDENCE AND INTERNAL MEMORANDA

**General Principle:** Most correspondence and internal memoranda should be retained for the same period as the document they pertain to or support. For instance, a letter pertaining to a particular contract would be retained as long as the contract (7 years after expiration). It is recommended that records that support a particular project be kept with the project and take on the retention time of that particular project file.

Correspondence or memoranda that do not pertain to documents having a prescribed retention period should generally be discarded sooner. These may be divided into two general categories:

1. Those pertaining to routine matters and having no significant, lasting consequences should be discarded *within three years*. Some examples include:

- Routine letters and notes that require no acknowledgment or follow-up, such as notes of appreciation, congratulations, letters of transmittal, and plans for meetings.
- Form letters that require no follow-up.
- Letters of general inquiry and replies that complete a cycle of correspondence.
- Letters or complaints requesting specific action that have no further value after changes are made or action taken (such as name or address change).
- Other letters of inconsequential subject matter or that definitely close correspondence to which no further reference will be necessary.
- Chronological correspondence files.

Please note that copies of interoffice correspondence and documents where a copy will be in the originating department file should be read and destroyed, unless that information provides reference to or direction to other documents and must be kept for project traceability.

2. Those pertaining to non-routine matters or having significant lasting consequences should generally be retained permanently.

## E. ELECTRONIC DOCUMENTS

1. **Electronic Mail:** Not all email needs to be retained, depending on the subject matter.
  - Staff will strive to keep all but an insignificant minority of their e-mail related to business issues.
  - Staff will take care not to send confidential/proprietary information to outside sources.
  - Any e-mail staff deems vital to the performance of their job should be printed and stored in the appropriate place.
2. **Electronic Documents:** including Microsoft Office Suite and PDF files. Retention also depends on the subject matter.
  - **PDF documents** - The length of time that a PDF file should be retained should be based upon the content of the file and the category under the various sections of this policy. The maximum period that a PDF file should be retained is 7 years. PDF files the employee deems vital to the performance of his or her job should be printed and stored in the employee's workspace.
  - **Text/formatted files** - Staff will conduct annual reviews of all text/formatted files (e.g., Microsoft Word documents) and will delete all those they consider unnecessary or outdated.
3. **Web Page Files: Internet Cookies**
  - All workstations: Web browsers should be scheduled to delete Internet cookies once per month.

Crossroads Fund does not automatically delete electronic files beyond the dates specified in this Policy. It is the responsibility of all staff to adhere to the guidelines specified in this policy.

In certain cases a document will be maintained in both paper and electronic form. In such cases the official document will be the electronic document.

## F. FUNDRAISING GRANT RECORDS

<b>Record Type</b>	<b>Retention Period</b>
Original grant proposal	7 years after completion of grant period
Grant agreement and subsequent modifications, if applicable	7 years after completion of grant period
All requested IRS/grantee correspondence including determination letters and "no change" in exempt status letters	7 years after completion of grant period
Final grantee reports, both financial and narrative	7 years after completion of grant period
All evidence of returned grant funds	7 years after completion of grant period
All pertinent formal correspondence including opinion letters of counsel	7 years after completion of grant period
Report assessment forms	7 years after completion of grant period
Documentation relating to grantee evidence of invoices and matching or challenge grants that would support grantee compliance with the grant agreement	7 years after completion of grant period
Pre-grant inquiry forms and other documentation for expenditure responsibility grants	7 years after completion of grant period
Grantee work product produced with the grant funds	7 years after completion of grant period

## G. GRANTMAKING RECORDS

As per our deed of gift on 8/27/08 to the University of Illinois Archives, we established a policy and procedures for retaining grantmaking records and for transferring grantmaking records to the permanent archives at the University of Illinois at Chicago. These policies and procedures are available by request from the Crossroads Fund office.

## H. INSURANCE RECORDS

<b>Record Type</b>	<b>Retention Period</b>
Annual Loss Summaries	7 years
Audits and Adjustments	3 years after final adjustment
Certificates Issued to the Crossroads Fund	Permanent
Claims Files (including correspondence, medical records, injury documentation, etc.)	Permanent
Group Insurance Plans - Active Employees	Until Plan is amended or terminated
Group Insurance Plans - Retirees	Permanent or until 7 years after death of last eligible participant
Inspections	3 years
Insurance Policies (including expired policies)	Permanent
Journal Entry Support Data	7 years
Loss Runs	10 years
Releases and Settlements	Permanent

## I. LEGAL FILES AND PAPERS

<b>Record Type</b>	<b>Retention Period</b>
Legal Memoranda and Opinions (including all subject matter files)	7 years after close of matter
Litigation Files	3 years after expiration of appeals or time for filing appeals
Court Orders	Permanent
Requests for Departure from Records Retention Plan	7 years

## J. MISCELLANEOUS

<b>Record Type</b>	<b>Retention Period</b>
Consultant's Reports	3 years
Material of Historical Value (including pictures, publications)	Permanent
Policy and Procedures Manuals - Original	Current version with revision history
Policy and Procedures Manuals - Copies	Retain current version only
Annual Reports	Permanent

## K. PAYROLL DOCUMENTS

<b>Record Type</b>	<b>Retention Period</b>
Employee Deduction Authorizations	3 years after termination
Payroll Deductions	Termination + 7 years
W-2 and W-4 Forms	Termination + 7 years
Garnishments, Attachments, Assignments,	Termination + 7 years
Labor Distribution Cost Records	7 years
Payroll Registers (gross and net)	7 years

<b>Record Type</b>	<b>Retention Period</b>
Time Cards/Sheets	3 years
Unclaimed Wage Records	7 years

#### **L. PENSION DOCUMENTS AND SUPPORTING EMPLOYEE DATA**

**General Principle:** Pension documents and supporting employee data shall be kept in such a manner that the Crossroads Fund can establish at all times whether or not any pension is payable to any person and if so the amount of such pension.

<b>Record Type</b>	<b>Retention Period</b>
Retirement and Pension Records	Permanent

#### **M. PERSONNEL RECORDS**

<b>Record Type</b>	<b>Retention Period</b>
Commissions/Bonuses/Incentives/Awards	7 years
EEO- I /EEO-2 - Employer Information Reports	3 years after superseded or filing (whichever is longer)
Employee Earnings Records	Separation + 7 years
Employee Handbooks	1 copy kept permanently
Employee Medical Records	Separation + 7 years
Employee Personnel Records (including individual attendance records, application forms, job or status change records, performance evaluations, termination papers, withholding information, garnishments, test	7 years after separation

<b>Record Type</b>	<b>Retention Period</b>
results, training and qualification records)	
Employment Contracts - Individual	7 years after separation
Employment Records - Correspondence with Employment Agencies and Advertisements for Job Openings	3 years from date of hiring decision
Employment Records - All Non-Hired Applicants (including all applications and resumes - whether solicited or unsolicited, results of post-offer, pre-employment physicals, results of background investigations, if any, related correspondence)	3 years
Job Descriptions	3 years after superseded
Personnel Count Records	3 years
Forms I-9	3 years after hiring, or 1 year after separation if later

## **N. PROPERTY RECORDS**

<b>Record Type</b>	<b>Retention Period</b>
Correspondence, Property Deeds, Assessments, Licenses, Rights of Way	Permanent
Original Purchase/Sale/Lease Agreement	Permanent
Property Insurance Policies	Permanent

## O. TAX RECORDS

**General Principle:** The Crossroads Fund must keep books of account or records as are sufficient to establish amount of gross income, deductions, credits, or other matters required to be shown in any such return.

These documents and records shall be kept for as long as the contents thereof may become material in the administration of federal, state, and local income, franchise, and property tax laws.

<b>Record Type</b>	<b>Retention Period</b>
Tax-Exemption Documents and Related Correspondence	Permanent
IRS Rulings	Permanent
Excise Tax Records	7 years
Payroll Tax Records	7 years
Tax Bills, Receipts, Statements	7 years
Tax Returns - Income, Franchise, Property	Permanent
Tax Workpaper Packages - Originals	7 years
Sales/Use Tax Records	7 years
Annual Information Returns - Federal and State	Permanent
IRS or other Government Audit Records	Permanent

## P. CONTRIBUTION RECORDS

<b>Record Type</b>	<b>Retention Period</b>
Records of Contributions	Permanent
Crossroads Fund's or other documents evidencing terms of gifts	Permanent

## Q. PROGRAM AND SERVICE RECORDS

<b>Record Type</b>	<b>Retention Period</b>
Program and Service Records	7 years
Crossroads Fund convenings	Permanent (1 copy only)
Research & Publications	Permanent (1 copy only)