Connections for Heroes

Document Retention and Destruction Policy

I. Purpose

Connections for Heroes retains and, when appropriate, destroys in compliance with federal and state law, grant and contract requirements, and this policy shall apply to all records, both physical and digital.

The purpose of this Document Retention and Destruction Policy is to:

- ensure that critical corporate records are retained permanently or for the period specified in Schedule A, Records Retention Schedule
- ensure that records are destroyed according to a standard policy adopted for ordinary business reasons
- comply with applicable federal and state laws, grant and contract requirements, and IRS Form 990 governance practices
- prevent the alteration or destruction of records when litigation, an audit, or a government investigation is pending, threatened, or reasonably anticipated

II. Corporate Records

The corporate records of Connections for Heroes include:

- all records produced by directors, officers, employees, contractors or volunteers, whether in paper or electronic form
- Corporate records include memoranda, email, contracts, minutes, voicemail, reports, receipts and revenue filings regardless of where the document is stored, including network servers, desktop or laptop computers and handheld devices and other wireless devices with text messaging capabilities
- Communications conducted for organizational business using personal electronic devices or personal email must be copied to the organization’s system promptly, not left only on the personal device
- Files containing health, benefits or other sensitive information are stored with restricted access and destroyed at the end of the retention period

III. Retention of Records

Corporate records shall be retained for the relevant schedules set forth on Schedule A. the categories listed of Schedule "A" are intended to be a general guideline. These should be interpreted based on the following:

- All types of records relating to each category
- Including correspondence, notes and reports
- Documentation sent to storage should be identified by category and should have the corresponding scheduled destruction date attached
- If a record fits more than one category, keep it for the longest period
- Email, texts and voicemail follow the period for the subject matter, not the 1-year "general correspondence" line, unless they have no lasting business value
- The CFO is responsible for the retention of records

Some additional considerations for record retention:

- A backup/archive system shall be in place for disaster recovery purposes, not as a shadow retention system. Once records pass through the destruction path they are overwritten on a defined rotation and that a legal hold indicates backup copies required
- Directors, officers, employees, volunteers and contractors shall be made aware of these policies and procedures

IV. Secure Destruction of Records

1. The Chief Financial Officer (CFO) and/or Secretary of the Executive Board of Directors shall be responsible for ensuring that any scheduled destruction of the Corporate Records is carried out in accordance with Schedule A and this Policy. If the organization has no CFO, or the CFO is recused, designate the Executive Director or the Board Secretary to assume the responsibility

2. Prior to destruction of records, the permission of the CFO is required to ensure that there is no reason that an exception should be made to the policy
3. Destruction of records relating to litigation or to impede a governmental investigation or official proceeding is a crime:
    a. The CFO and Board Chair / legal counsel shall issue a hold to suspend document destruction as soon as litigation, governmental investigation or audit, civil action or enforcement proceeding is suspected, reasonably anticipated or commenced against the organization, its officers, directors or employees. The issuer shall give written notification to affected custodians

    b. That hold is placed in writing, it names the custodians, the record types and covers paper, email, phones, cloud accounts and all backups

    c. No one may destroy any of these until the hold is lifted in writing

    d. The duty is to preserve, not just "do not discard"

    e. Any violation of the hold can be a crime and basis for internal discipline or referral for criminal investigation

4. A director, officer, employee, board member, volunteer or contractor with knowledge of potential or actual litigation, an external audit, investigation or similar proceeding involving the Organization, must report this information to the CFO and Board Chair as soon as possible

5. Secure destruction of records is as follows:
    a. Confidential physical data and records require shredding or a bonded confidential-destruction vendor for confidential paper

    b. Physical data drives must be destroyed via a certified process/vendor

    c. Electronic records must be permanently erased, via a secure data wiping process, or equivalent vendor process, not just deleted

    d. Non-confidential paper may be disposed of through ordinary recycling procedures

V. Administration and Oversight

1. The CFO is responsible for the administration and enforcement of this Policy and must monitor compliance with the retention periods

2. The CFO is specifically charged with overseeing periodic reviews of records in accordance with the Policy. Annual inventories of records in storage and digital forms

3. The CFO shall approve destruction in writing. Approval may be given through an annual destruction list rather than item-by-item permission. Each approval shall be filed in the records destruction log

4. The CFO shall provide periodic training to staff & directors and shall submit an annual compliance note to the board

5. Create & maintain a "records destruction log" for at least 7 years. Record the following information as part of the record: destruction date, category, method, vendor and approver

6. Vendor contracts with shredding / IT / cloud providers must include confidentiality and, on request, a certificate of data destruction

Schedule A: Record Retention Schedule

Corporate Records

Articles of Incorporation & By-laws	Permanent
Board meeting agendas & materials	7 years
Board & committee meetings minutes	Permanent
Certificate of Incorporation & related legal or government documents	Permanent
Conflict of Interest disclosure forms	7 years
Trademark registrations and copyrights	Permanent
Whistleblower Policy	Permanent
Form 1023	Permanent

Schedule A: Record Retention Schedule - Continued

Finance & Administration

Accounts payable ledgers and schedules	7 years
Accounts receivable ledgers and schedules	7 years
Auditor management letters, audit reports	Permanent
Bank Deposits & statements	7 years
Bank reconciliations	7 years
Budgets & Projections	2 years
Cash receipts & disbursements	Permanent
Charitable organization registration	7 years
Charts of accounts	Permanent
Checks (for major payments / purchases)	Permanent
Checks (general)	7 years
Contracts, notes & agreements (After obligations end)	7 years
Correspondence – general, including email	1 year
Correspondence – legal & important matters	Permanent
Depreciation Schedules	Permanent
Expense analyses & expense distribution schedules	7 years
Financial statements (audited)	Permanent
Fixed asset records & appraisals	Permanent
General Ledgers	Permanent
Investment / Endowment records (*permanent for gift/endowment instruments)	7 years *Permanent
IRS Form I-9 (Keep separate from personnel file)	*3 years
*(3 years after the date of hire, 1 year after termination) (whichever is later)	
Program & Trust Agreements	Permanent
Promissory Notes	Permanent
W-2, 1099s and contractor files	7 years

Schedule A: Record Retention Schedule - Continued

Insurance

Policies – occurrence type & claims made	Permanent
Accident reports, claims (after settlement), fire inspection reports	Permanent
Disability, unemployment claims	7 years
Group disability records	7 years (After benefit ends)
Safety – OSHA reports	Permanent

Real Estate

Deeds, mortgages & bills of sale	Permanent
Leases (expired)	7 years (after obligation ends)

Tax

Correspondence with accountants, legal counsel	7 years (after return is filed)
IRS exemption determination & related correspondence	Permanent
IRS form 990	Permanent
Tax audit – closing letters & Tax returns	Permanent
Withholding tax statements	10 years

Development

Fund agreements & correspondence	Permanent
Gift acknowledgements	Permanent

Employee Records

Employee Payroll & timecards	7 years
Employment Applications	1 year
Employee handbooks, orientation and training materials	Permanent
Employee personnel files	7 years
Employee retirement and pension records	Permanent
Worker's compensation claims (after settlement)	10 years

Non-Profit Programs

Approved grant applications, acknowledgement letters (after completion of funded program)	7 years
Consultant contracts and files (after obligations end)	7 years
Declined/withdrawn grant applications	7 years
Donor Records	7 years
Fundraising event records	7 years
State Charitable Registrations	7 year
Volunteer Records	3 years
Client / Beneficiary / program participant files	Permanent
Records of document destruction	7 year
Software licenses and support agreements (after obligations end)	7 years
Background checks – employees / volunteers	5 years