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DOCUMENT RETENTION AND DESTRUCTION POLICY

1. Policy Statement. _____ (the "Organization") generates and receives a large volume of documents as a result of its daily operations. The law requires the Organization to maintain certain types of records, usually for a specified period of time. Failure to retain those records for those minimum periods could subject you and the Organization to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, and/or seriously disadvantage the Organization in litigation. The Organization desires to manage those records in a professional and responsible manner that allows for efficient retrieval and reasonable storage of those documents necessary to its operation. As a result, the Organization has adopted this Document Retention and Destruction Policy to provide guidelines for the retention and destruction of all of the Organization's records. The consistent application of this Policy will allow the Organization to organize, maintain, and retrieve its records pursuant to a uniform procedure and meet the Organization's business and legal obligations.

It is the policy of the Organization that its records be retained only during the period of their immediate use unless longer retention is required by law, contractual requirements, or for internal or historical reference.

2. Definitions.

(a) Destroy. For purposes of this Policy, tangible records should be destroyed by shredding or other means that will render the records unreadable. Electronic records shall be permanently deleted from the Organization's system by _____ **[IT individual or department]**. Generally, deleting files and emptying the recycling bin is sufficient in most circumstances to delete a record. However, since electronic records may be stored in numerous locations, _____ **[IT individual or department]** will be responsible for permanently removing deleted files from the computer system.

(b) Records. For purposes of this Policy, a record is defined as any information or data generated, collected and/or preserved in the ordinary course or functioning of the Organization. A record may take the form of a tangible record, which includes any paper document, memoranda, letters, reports, pamphlets, contracts, invoices, correspondence, periodicals, leases or transcriptions. A record may also take the form of an electronic record, which includes e-mail messages, magnetic tapes, computer files or any other medium of recording data. E-mails should either be printed

and stored as a tangible record, or downloaded to a computer file and saved electronically or on a disk. [The Organization has computer software that duplicates files, which are then backed up on central servers]. **[Please ensure that the Organization has some sort of back up and storage procedure in place for electronic records; it may be helpful to set forth the mechanism for back up of records in this policy. It is also advisable to have retention mechanisms for voicemails if possible.]**

(c) Retention Period. The retention period begins at the end of the fiscal year during which the record was created.

3. Application Guidelines for Document Retention and Destruction

(a) Scope. This Policy applies to all operations of the Organization.

(b) Management Responsibility. It is the responsibility of the [General Counsel] [or other individual that will be responsible for ensuring compliance with this Policy; if other individual is substituted here, substitute such individual throughout this policy where reference is made to "General Counsel"] to ensure that the Organization complies with this Policy and the procedures set forth herein, and shall:

(i) Ensure safe and adequate storage of all records;

(ii) Maintain strict adherence to the retention provisions contained in the attached Record Retention Schedule (Attachment A);

(iii) Supervise the destruction of unnecessary records pursuant to this policy and the Record Retention Schedule;

(iv) Consistently maintain the Record Retention Schedule in a timely fashion;

(v) Signoff on minimum retention dates for all new records added to the Record Retention Schedule; and

(vi) Ensure that the Organization's system for electronic records is covered by backup and archiving procedures for documents and that _____ **[IT individual or department]** conducts an annual check-up of the reliability of the system.

(c) Document Destruction. Under the direction of the **[General Counsel]**, the Organization shall conduct, at least annually, a formal files purging process. During, or as a result of this process, records which have exceeded the period of their immediate use are to be reviewed and destroyed. In addition, unnecessary duplicate and multiple copies of records are to be identified and destroyed. Whenever possible, the official record is the record that furnishes the most conclusive information, and shall not contain personal notations, other than the author's signature.

(d) Employee and Director Responsibility. Each employee and director is responsible for seeing that all records generated or maintained by him or her are

retained or disposed of in accordance with this Policy. Any questions regarding the application of this Policy should be directed to the **[General Counsel]**.

(e) Periodic Review. Each employee and director is responsible for reviewing his or her files on a periodic basis to make sure that their records have been retained or discarded in accordance with this Policy. This process should include review of all records and all “working copies” which are no longer of any use to the individual maintaining that material. Working copies of records that are made for the use of other Organization personnel are “non-record” material and should be disposed of when they are no longer of any use. The original of all working copies shall be maintained by the appropriate department in accordance with the Record Retention Schedule.

(f) Records Relevant to Legal Proceedings. Records relevant to a legal action are not to be destroyed without the approval of the **[General Counsel]**. The destruction of records is to be carried out only upon written authority of the **[General Counsel]**.

4. Record Retention Procedure.

(a) It is the Organization’s policy to retain its business records in strict compliance with the Record Retention Schedule. Any decision to extend or reduce a retention period must be communicated to and approved by the **[General Counsel]**.

(b) The Record Retention Schedule lists the categories of business records retained by the Organization and the required retention periods for each category of records. **[If necessary, list any storage specifics – i.e., short term on-site storage, long term off-site storage, label date for destruction, etc.]**

(c) The **[General Counsel]** may need to suspend this Policy from time-to-time in order to meet legal obligations associated with anticipated or actual litigation, government investigations, or audits. On notice from the **[General Counsel]**, any directions to suspend this Policy will supersede this Policy and the Record Retention Schedule.

5. Acknowledgement. I have read and understand the purpose and terms of this Policy. I understand that strict adherence to this Policy is a condition of my employment and/ or board service with the Organization. Questions about this Policy shall be referred to the **[General Counsel]** at _____ **[provide telephone or email contact]**, who is in charge of administering, enforcing and updating this Policy. I hereby agree to abide by this Policy.

Employee’s Signature

Date

Employee’s Name (print)

Attachment A Record Retention Schedule

| Type of document | Retention Period |
|--|--|
| Accounts payable ledgers and schedules | at least 7 years |
| Audit reports | at least 6 years |
| Bank reconciliations | at least 3 years |
| Bank statements | at least 3 years |
| Checks (for important payments and purchases) | at least 3 years |
| Contracts, mortgages, notes and leases (expired) | 6 years beyond life of agreement |
| Contracts (Still in effect) | retain final copies for 6 years beyond life |
| Correspondence (general) | 3 years |
| Correspondence (legal and important matters) | permanently |
| Correspondence (with customers and vendors) | 3 years |
| Deeds, mortgages, bills of sale | permanently |
| Depreciation schedules | at least 6 years |
| Duplicate deposit slips | 2 years |
| Employment applications | 6 years |
| Employee personnel files reflecting performance reviews and any complaints, all final memoranda and correspondence reflecting performance reviews and actions; INS I-9 forms | greater of 6 years or one year after termination of employment |
| Company-wide seniority-merit system records | at least 1 year after seniority or merit system terminated |
| All other employment and personnel records | 6 years |
| Expense analyses/ expense distribution schedules | at least 7 years |
| Year end financial statements | at least 7 years |
| Insurance policies (expired) | 3 years |
| Insurance records, current accident reports, claims, policies, etc. | permanently |
| Internal audit reports | at least 6 years |
| Inventories of products, materials, supplies | at least 7 years |
| Invoices (to customers, from vendors) | at least 7 years |
| Legal records | at least 10 years |
| Minute books, bylaws, and charter | permanently |
| Board and Board committee materials other than minutes | not less than 5 years |
| Patents and related papers | at least the life of the trade secret |
| Payroll records and summaries | at least 7 years |
| Personnel files (terminated employees) | at least 3 years |
| Press releases and public filings | permanently |
| Retirement and pension records | permanently |
| Tax returns and worksheets | at least 7 years |
| Timesheets | at least 6 years |
| Trademark registrations and copyrights | at least the life of the trade secret |
| Withholding tax statements | at least 7 years |

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