

MAJOR HOSPITAL FOUNDATION
STANDARD POLICY AND PROCEDURE

TITLE: Document Retention and Destruction

PURPOSE: In accordance with the Sarbanes-Oxley Act and the new form 990 introduced in 2007, the Major Hospital Foundation will use this Document Retention and Destruction policy to provide for the systematic review, retention, and destruction of documents received or created by Major Hospital Foundation in connection with the transaction of organization business.

TEXT:

1. Document Retention. Major Hospital Foundation follows 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.

2. Corporate Records

Annual Reports to Secretary of State	Permanent
Articles of Incorporation	Permanent
Board Meeting and Board Committee Minutes	Permanent
Board Policies/Resolutions	Permanent
Bylaws	Permanent
Fixed Asset Records	Permanent
IRS Application for Tax-Exempt Status (form 1023)	Permanent
IRS Determination Letter	Permanent
State Sales Tax Exemption Letter	Permanent
Contracts (after expiration)	7 years
Correspondence (general)	3 years

3. Accounting and Corporate Tax Records

Annual Audits and Financial Statements	Permanent
Depreciation Schedules	Permanent
General Ledgers	Permanent
IRS 990 Tax Returns	Permanent
Business Expense Records	7 years
IRS 1099s	7 years
Journal Entries	7 years
Invoices	7 years
Sales Records	5 years
Credit Card Receipts	3 years

4. Bank Records

Check Registers	Permanent
Bank Deposit Slips	7 years
Bank Statements and Reconciliation	7 years
Electronic Fund Transfer Documents	7 years
5. <u>Payroll and Employment Tax Records</u>	
Payroll Registers	Permanent
State Unemployment Tax Records	Permanent
Earnings Records	7 years
Payroll Tax Returns	7 years
W-2 Statements	7 years
6. <u>Employee Records</u>	
Employment and Termination Agreements	Permanent
Retirement and Pension Plan Documents	Permanent
Records relating to Promotion, Demotion or Discharge	7 years post term.
Accident Reports and Workers Comp Records	5 years
Salary Schedules	5 years
Employment Applications	3 years
I-9 forms	3 years post term.
7. <u>Donor records</u>	
Pledge cards	7 years
Acknowledgement letters	7 years
Pledge payment records	7 years
Gift records	7 years
8. <u>Legal, Insurance and Safety Records</u>	
Copyright Registrations	Permanent
Insurance Policies	Permanent
Stock and Bond Records	Permanent
Trademark Registrations	Permanent
Leases	6 yrs post expiration
OSHA Documents	5 years
General contracts	3 yrs post expiration
9. <u>Electronic Documents and Records</u>: Electronic documents will be retained as if they are 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 moved to an archive computer file folder. Backup and recovery methods will be tested on a regular basis.	

10. Emergency Planning: Major Hospital Foundation records will be stored in a safe, secure and accessible manner. Documents and financial files that are essential to keeping Major Hospital Foundation operating in an emergency will be duplicated or backed up at least every week and maintained off site.

11. Document Destruction: Major Hospital Foundation's executive director is responsible for the ongoing process of identifying its records which have met the required retention period and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Document destruction will be suspended immediately upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

12. Compliance: Failure of the part of employees to follow this policy can result in possible civil and criminal sanctions against Major Hospital Foundation and its employees and possible disciplinary action against responsible individuals. The Executive Director will periodically review these procedures with legal counsel or the organization's certified public accountant to ensure that they are in compliance with new or revised regulations.

13. Source: Adapted from Volunteer Lawyers and Accountants for the Arts (VLAA) Sample Policy, www.vlaa.org.

Approval Date: October 15, 2008