

Lewis and Clark County Community Foundation Records Retention and Management Policy Adopted by Board of Directors, April 2010

I. Policy: Records Management

The Lewis and Clark County Community Foundation (LCCF) Board and staff maintain consistent, complete, secure, and authentic records in order to achieve LCCF's community support mission. The records policy is also motivated by the need to: protect LCCF assets; operate an efficient organization; meet reporting requirements; ensure compliance with donors' intentions; coordinate activities among staff, board members and volunteers; provide consistency for newcomers to the organization; and answer inquiries promptly about LCCF activities.

LCCF documents are to be created, retained and destroyed in a deliberate, organized manner that achieves the goals set out above. This policy (and accompanying Records Schedule) gives guidance on those tasks. In addition, the records policy supports, and is integral to, all other LCCF policies.

LCCF Records Management Principles:

1. *Consistent*: Records are consistent and logical, both within and across individual records.
2. *Secure*: Records are as secure as possible from the risk of fire, other disasters, loss, theft, or defacement. Some LCCF documents must exist in perpetuity in order to fulfill corporate responsibilities and other legal needs.
3. *Thorough*: Records are complete, but only essential information is stored. Some records are destroyed on an established schedule.
4. *Authentic*: Authentic original records are kept and can be used, if needed, as legal evidence. These documents include dates, authors, and other supporting information appropriate to the type of information contained.

Records Policy Review:

The staff and the Executive Committee review this Records Policy at least every three years to assess compliance and to ensure that the policies stated herein continue to serve the best interests of LCCF.

II. Procedures: Records Management

Off-Site Storage of Key Documents:

Off-site records storage helps LCCF maintain secure and authentic records. LCCF stores original business documents and electronic backups offsite in a safe deposit box. The foundation administrator and Executive Committee manage and may have authorized access to the material placed off-site.

Original documents placed in the off-site archive facility include:

- Articles of Incorporation
- IRS designation

- Back-ups of annual financial records and annual audit reports
- Monthly and annual electronic back-up of LCCF data files

Secure On-Site Storage

LCCF uses secure filing cabinets on-site for various records storage purposes. Each fire proof cabinet remains locked on a regular basis.

Electronic Document Back-up System

LCCF's electronic files and data is backed up regularly onto an external hard drive, and placed in off-site storage (safe deposit box). The foundation administrator and Executive Committee are the only persons with access to the safe deposit box. The purpose of this system is to: (1) create reliable, retrievable data in the case of computer malfunction, (2) create copies for historical purposes, since it is physically unmanageable to archive every document, and (3) to preserve electronic copies of documents and photographs that may deteriorate over time.

Records Retention and Destruction

The LCCF Records Schedule, shown below, stipulates the length of time that each type of document is kept, in addition to its location. Some documents are kept permanently. LCCF complies with IRS regulations concerning how long tax-related information is kept. LCCF complies with foundations and other grantor organizations when they stipulate a period during which grant records must be kept. Other documents are destroyed after a prescribed length of time—between one and ten years. When documents are destroyed, LCCF complies with the Sarbanes-Oxley Act. The law makes it a crime to alter, cover up, falsify, or destroy any document to prevent its use in a federal official proceeding. The Sarbanes-Oxley Act turns intentional document destruction into a process that should be monitored, justified and carefully administered.

Records Management Responsibility

The foundation administrator is responsible for the organization, retention, destruction and regular maintenance of files within that category. In addition, LCCF performs complete records audits every three years to ensure ongoing compliance with records policies, practices, and procedures.

Types of LCCF Records

1. *Administrative Records.* In order to practice sound business procedures, LCCF maintains records of its business activities, board meetings, bylaws, and office administration, and carefully maintains these records in a secure manner. LCCF diligently protects and secures all electronic records and the organization's computer system through use of current security tools and equipment.
2. *Financial Records.* As a public charity and an organization responsible for management of endowment funds in perpetuity, LCCF must manage its finances and assets in a responsible and accountable manner. LCCF maintains complete, accurate and credible documentation of its financial management activities.

The types of financial records maintained by LCCF include bank statements; periodic and annual financial reports; balance sheets; budgets; bank statement reconciliations and cancelled checks; invoices and receipts of payables; copies of checks deposited; copies of donor restrictions (in acknowledgement letter), and other material.

3. *Personnel Files.* As applicable, personnel files contain each employee's personal information and work-related information (including work reports). As outlined in the LCCF Personnel Policy, personnel records are maintained for each employee and are confidential. Personnel records are stored in the office

of the foundation administrator in a locking file cabinet. The electronic copies of confidential personnel records are available only to the Executive Committee under password protection.

4. *Fundraising Files.* As a 501(c)(3) charitable organization, LCCF is committed to raising funds in an ethical and accountable manner. LCCF maintains accurate and complete records regarding fundraising activities. Recordkeeping for the fundraising program demonstrates that LCCF complies with charitable solicitation laws, accurately represents its claims and intended use of funds, and uses restricted funds as specified by donors.

5. *Program and Outreach Records.* Program records are kept so that there is continuity in LCCF efforts from year to year. Outreach records are a resource for educating volunteers, staff, and coordinators of events so that they adhere to the LCCF vision and to communicate to our members and the public in general. Program records (for instance annual plans, strategic plans, event programs, photographs, publications, and public relation materials) are maintained by LCCF.

| Category of File | Item | Retention Period (Legal Purposes) | Retention Period (Business Purposes) |
|--------------------------|---|--|---|
| Corporate Records | Articles of Incorporation | Permanent | Permanent |
| | Bylaws | Permanent | Permanent |
| | Board meeting agendas & materials | Permanent | Permanent |
| | Board and committee meeting minutes | Permanent | Permanent |
| | Conflict of Interest and Nondisclosure Statements | 7 years | 7 years |
| Electronic | Electronic copy of data | Permanent | Permanent |
| | | | |
| Finance | Accounting records – paper | 7 years | 7 years |
| | Audit, audit management letter, annual report | Permanent | Permanent |
| | Bank statements with cancelled checks and deposit tickets with supporting documents | 7 years | 7 years |
| | Contracts & agreements, including office space and independent contractors | 7 years after all obligations end | Permanent |
| | Correspondence – general | 7 years | 7 years |
| | Equipment files & maintenance records | 7 years after disposition | 7 years after disposition |
| | <i>Insurance files, as applicable:</i> | | |
| | Policies | 7 years | Permanent |

| Category of File | Item | Retention Period (Legal Purposes) | Retention Period (Business Purposes) |
|-------------------------------|---|--|---|
| | Accident reports, if applicable | 7 years | 7 years |
| | Insurance claims, if applicable | 7 years after end of benefits | 7 years |
| Investments | Annual Investment performance reports | 7 years | Permanent |
| | Investment manager correspondence | 7 years | 7 years |
| | Investment manager contracts | 7 years after all obligations end | Same as legal requirement |
| Real Estate | Leases and legal binder for properties used for charitable purposes | 7 years after all obligations end | Permanent |
| | Deeds, mortgages, notes, security agreements for real estate held for sale | Permanent – in donor file | Permanent – in donor file |
| Regulatory | Tax returns | Permanent | Permanent |
| | IRS exemption determination & related correspondence | Permanent | Permanent |
| | Correspondence with legal counsel regulators, accountants, not otherwise listed | 7 years after return is filed | Permanent |
| | State registrations | Permanent | Permanent |
| Philanthropic Services | Fund agreements and fund files | Permanent | Permanent |
| | Fund correspondence relating to terms of the fund | Permanent | Permanent |
| | Gift acknowledgments | 7 years | Permanent |
| | Gift solicitations | 7 years after final distribution of funds received in response to solicitation | Permanent |
| | Trust agreements and files | 7 years after termination of trust | Permanent |
| Communications | Annual reports (since 1999) | 7 years | Permanent |
| | Other publications | 7 years | Permanent |
| | Photos | 7 years | Permanent |
| | Press clippings and releases | 7 years | Permanent |
| | Research reports/surveys | n/a | 7 years |

| Category of File | Item | Retention Period (Legal Purposes) | Retention Period (Business Purposes) |
|-------------------------|---|---|---|
| Grants | Approved grants – all documentation supporting grant payment, including applications, recommendations, due diligence, grant agreement letters, and grant transmittal letters. Post grant reporting information, outcome analysis. | 7 years after completion of funded program, or date of grant if general operating support | Permanent in electronic format |
| | Declined and/or withdrawn grant applications | 7 years | 7 years |
| | Records from committees, including minutes, if any and lists of grants recommended for approval. | Permanent | Permanent |
| | Scholarship grant records, including applications if LCCF participates in selection decisions | 7 years | Permanent in electronic format |
| Human Resources | Payroll records including W-2 and 1099 forms | 7 years | 7 years |
| | Personnel files | 7 years | 7 years |
| | Employee Manual | Permanent | Permanent - electronic |
| | Employee and Board orientation & training materials | 7 years after use ends | Same as legal requirement |
| | Workers comp claims (after settlement) | 7 years | 7 years |
| | Consultant's contracts | 7 years | Permanent |
| Technology | Software including licenses and support agreements | 3 years after all obligations end | Same as legal requirement |