



# MONTGOMERY COUNTY COMMUNITY FOUNDATION

## Records Retention Policy

This policy addresses the retention and destruction of business records and documents and in general follows the guidelines of The Sarbanes-Oxley Act of 2002. It is important for all personnel to know the length of time records should be retained.

This information is intended as a guideline for retention of records rather than a comprehensive list of all types of records the Montgomery County Community Foundation (“MCCF”) might have. In addition, some individual records within a given category will have more significance than others, depending on the circumstances, and may warrant retention beyond the time period indicated below. In each case, records should be retained for the **longer** of the periods specified in the “Legal Purposes” and the “Business Purposes” columns.

### Legal Holds

From time to time, the Executive Director, President, or other corporate officer may issue a notice, known as a Legal Hold, suspending the destruction of records due to pending, threatened or otherwise reasonably foreseeable litigation, audits, government investigations, or similar proceedings. No records specified in any Legal Hold may be destroyed, even if the scheduled destruction date has passed, until the hold is withdrawn in writing by the Executive Director or President of the Board of Directors.

MCCF takes very seriously its obligation to preserve information relating to litigation, audits, and investigations. It is a federal offense to destroy, alter or mutilate any record under federal investigation. The consequences of failing to retain items subject to a Legal Hold can be serious, including possible criminal and civil sanctions against MCCF and its employees, and possible disciplinary action against responsible individuals (up to and including termination of employment). Each employee has an obligation to contact the President immediately in the event the employee obtains knowledge of any potential or actual litigation, external audit, investigation, or similar proceeding involving MCCF.

MCCF RECORDS RETENTION SCHEDULE			
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
	Board of Directors Conflict of Interest disclosure forms & Confidentiality Statements	7 years	7 years
<b>Finance and Administration</b>	Accounting records	7 years	7 years
	Audit, audit management letter, annual report	Permanent	Permanent
	Bank statements with cancelled checks and deposit slips	7 years	7 years
	Check register	7 years	7 years
	Contracts and agreements	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
<b>Insurance</b>	Policies	7 years	Permanent
	Accident reports, if applicable	7 years	7 years
	Insurance claims, if applicable	7 years after end of benefits	7 years after end of benefits
<b>Investments</b>	Investment performance reports	7 years	7 years
	Investment manager correspondence	7 years	7 years
	Investment manager contracts	7 years after all obligations end	7 years after all obligations end
	Investment consultant reports	7 years	7 years
<b>Real Estate</b>	Leases and legal binder for properties used for charitable purposes	7 years after all obligations end	7 years after all obligations end
	Deeds, mortgages,	Permanent in donor	Permanent in donor

	notes, security agreements for real estate held for sale	file	file
	Mortgages, security agreements	7 years after all obligations end	7 years after all obligations end
	Purchase agreements	7 years after disposition of property	7 years after disposition of property
<b>Regulatory</b>	Tax returns	Permanent	Permanent
	IRS exemption determination & related correspondence	Permanent	Permanent
	Tax audit closing letters	Permanent	Permanent
	Correspondence with legal counsel , regulators, or accountants, not otherwise listed	7 years after return is filed	7 years after return is filed
	State registrations	Permanent	Permanent
	Withholding tax statements	7 years	7 years
<b>Philanthropic Services</b>	Fund agreements and fund files	Permanent	Permanent
	Fund correspondence relating to the terms of the fund	Permanent	Permanent
	Gift acknowledgements	7 years	7 years
	Gift solicitations	7 years after final distribution of funds received in response to solicitation	7 years after final distribution of funds received in response to solicitation
	Trust agreements and files	7 years after termination of trust	Permanent
<b>Communications</b>	Annual Reports	7 years	Permanent
	Other publications	7 years	Permanent
	Photos	7 years	Permanent

	Press clippings and releases	7 years	Permanent
<b>Program/Grants &amp; Scholarships</b>	Approved grants – all documentation supporting grant payment, including applications, recommendation, due diligence, grant agreement letters, grant transmittal letters, and post grant reporting information and outcome analysis	7 years after completion of funded program, or date of grant if general operating support	Permanent
	Records from distribution committee, including minutes, if any and lists of grants recommended for approval	7 years	7 years
	Scholarship grant records, including applications if MCCF participates in selection decisions	7 years	Permanent
	Declined and/or withdrawn grant applications	3 years	3 years
<b>Human Resources</b>	Payroll records and employee records including W-2 and 1099 forms	7 years	7 years
	Employee and Board orientation & training materials	7 years after use ends	7 years after use ends
	Consultant's contracts/files	7 years after all obligations end	7 years after all obligations end

	Contracts with employees	7 years after all obligations end	7 years after all obligations end
<b>Technology</b>	Software including licenses and support agreements	7 years after all obligations end	7 years after all obligations end

**Periodic Destruction**

Documents from the preceding list will periodically be destroyed after the time requirement has been met. In each case records should be retained for the longer of the periods specified in the “Legal Purposes” and the “Business Purposes” columns.

**Unnecessary Documents**

Those documents whose continued preservation serves no useful purpose and may, in fact, expose the Foundation to storage costs shall be promptly and systematically deleted and destroyed by the employee who generated them. These include, but are not limited to, personal e-mails and correspondence unrelated to Foundation matters; preliminary drafts of letters and memoranda if a final version had been retained; brochures and newsletters received by the Foundation unrelated to its activities; and any “junk mail” received by the Foundation. However, any of the above documents relevant to or discoverable in pending or potential litigation and other legal and official proceedings shall be retained.

**Electronic Documents**

This policy applies to any electronic records. Staff may determine whether a document should be held in paper or electronic format, if it exists in both. Either paper version or the electronic version should be maintained for the time requirements of this policy.

If an employee has performed Foundation-related work on his/her home computer, any records or documents must be transferred at the earliest possible time to a Foundation-owned computer and deleted from the home computer. This ensures that the document will be maintained under this policy.

E-mail correspondence which may be identified as falling under one of the protected types of documents addressed in this policy should be saved either by printing a paper copy for filing or saving an electronic copy of the same for the period specified in this policy. E-mail correspondence which does not directly fall under one of these categories may be kept as long as the staff member believes it is necessary.

MCCF’s current policy is to retain electronic back-up of the computer system. This is done to allow for recovery of the system in the event of a failure. The back-up process is also designed to assist staff in retrieving important documents or messages that they may have inadvertently deleted.

Approved by the MCCF Executive Committee:

November 19, 2009

Amended and Approved by the MCCF Board of Directors:

January 21, 2010