

Addendum I: Records Retention Policy

Purpose of Policy

This policy provides for the systematic review, retention and destruction of documents received or created by Family Compass in connection with the transaction of Family Compass business. This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept and how records should be destroyed. The policy is designed to ensure compliance with federal and state laws and regulations, and with the bylaws and policies of Family Compass, to eliminate accidental or innocent destruction of records and to facilitate Family Compass' operations by promoting efficiency and freeing up valuable storage space.

Document Retention

Family Compass 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. All documents governed by this policy may be retained in electronic or other form.

Schedule

Records useful for longer periods may be retained. These are minimum retention periods.

Corporate Records:

Annual Reports to Secretary of State/Attorney General/other Governmental Agencies	Permanent
Articles of Incorporation	Permanent
Board Meeting and Board Committee Minutes	Permanent
Formal Actions of Board in Absence of Meeting	Permanent
Board Policies/ Resolutions	Permanent
By-laws	Permanent
Construction Documents	Permanent
Fixed Asset Records	Permanent
IRS Application for Tax-Exempt Status (Form 1023)	Permanent
IRS Determination Letter(s)	Permanent
State Sales Tax Exemption Letter	Permanent
Annual Budgets	6 years
Lease Contracts (after expiration)	4 years
Contracts other than leases or insurance (after expiration)	7 years
Correspondence (general)	6 years
Emails (substantive matters only)	6 years
Complaints (after resolution)	6 years
Permanent Asset Files	3 years after asset disposed

Accounting and Corporate Tax Records

Accounts Payable Files	4 years
Annual audits and Financial Statements	Permanent
Audit Working Papers (after audit completion)	6 years
Budgets	5 years
Depreciation Schedules	Permanent
General Ledgers	Permanent
IRS 990 Tax Returns	Permanent
IRS Forms 5500	Permanent
Business Expense Records	7 years
IRS Forms 1099	7 years
Journal Entries	7 years
Balance Sheet detail	7 years
Invoices	7 years
Sales Records (CLE programs, labels, other sales)	6 years
Petty Cash Vouchers	6 years
Cash Receipts	6 years
Credit Card Receipts	6 years
Monthly Financial reports and ledgers	4 years

Bank Records

Check Registers	Permanent
Bank Deposit Slips	7 years
Bank Statements and Reconciliation	7 years
Electronic Fund Transfer Documents	7 years

Payroll and Employment Tax Records

Payroll Registers	Permanent
State Unemployment Tax Records	Permanent
Earnings Records	7 years
Garnishment Records	7 years
Payroll Tax Returns	7 years
IRS and Texas 940 and 941	7 years
Texas Worker's Compensation filings	7 years
Forms 1099 and 1096	7 years
W-2 and W-3 statements	7 years
Records relating to employee benefits	7 years following end of employee benefits
Other payroll records, if any	3 years

Employee Records

Employment and Separation Agreements	Permanent
Retirement and Pension Plan Documents	Permanent
Records relating to Promotion, Demotion or Discharge	7 years after separation
Accident Reports and Worker's Compensation Records	6 years
Salary Schedules	6 years
Employment Applications	6 years
I-9 and W-4 forms	6 years after separation
Time Cards/ Time Records/ Time Sheets	6 years
Donor Records and Acknowledgement Letters	7 years
Grant Applications and Contracts	6 years after completion

Client Records

Client records are generally destroyed using the below schedule and each program has additional detailed procedures that staff must follow.

Case files and records	5 years after last service date or 5 years after minor parent turns 18
------------------------	--

Legal, Insurance and Safety Records

Appraisals	Permanent
Copyright Registrations	Permanent
Environmental Studies	Permanent
Insurance Policies and Records	Permanent
Real Estate Documents	Permanent
Stock and Bond Records	Permanent
Trademark Registrations	Permanent
Leases	6 years after termination
OSHA Documents	6 years
General Contracts	6 years after termination
Other Incident or Injury Reports	6 years, or if relevant, 3 years after any child involved turns 18
Waivers of Liability and Settlements	10 years

Environmental, Biological and Material Safety monitoring reports concerning toxic substances and harmful physical agents in the workplace, including analyses derived from such reports	30 years
---	----------

Routine Correspondence

The following routine correspondence may be destroyed after they are no longer administratively valuable, as determined by the CEO:

- Telephone messages not relating to a matter in known controversy
- Emails, non-substantive
- Transmittal memos, letters, and notes (routine)
- Drafts and informal notes (except for audit and financial drafts)
- Recordings to facilitate written minutes (once written minutes are approved)
- Additional identical copies of any record of which one is retained

Electronic Documents and Records

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made on line, 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 email 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. It is not intended that non-substantive emails be kept when no longer useful.

Emergency Planning

Family Compass' records will be stored in a safe, secure and accessible manner. Documents and financial files that are essential to keeping Family Compass operating in an emergency will be duplicated or backed up at least every week and maintained off site.

Document Destruction

Family Compass' CEO is responsible for the ongoing process of identifying records that have met the required retention period and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding, pulverizing, burning, or other secure method. 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 or suit, after consultation with the Family Compass CEO.

Compliance

The Family Compass Board of Directors will periodically review these procedures to ensure that they are in compliance with new or revised regulations.

Adopted by the Family Compass Board of Directors on November 14th, 2012 and upheld in January 2018.