THE PATTERSON FOUNDATION

POLICY

CATEGORY: Administration

SUBJECT: Document Retention and Destruction Policy

PURPOSE:
In the spirit of the Sarbanes-Oxley Act, which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding, this policy provides for the systematic review, retention, and destruction of documents received or created to The Patterson Foundation (TPF) in connection with the transaction of organization 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 (unless under a legal hold). The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate TPF operations by promoting efficiency and freeing up valuable storage space.

DOCUMENT RETENTION:
TPF 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.

CORPORATE RECORDS:
- Annual Reports to Secretary of State/Attorney General: Permanent
- Articles of Incorporation: Permanent
- Board Meeting and Board Committee Minutes: Permanent
- Board Policies/Resolutions: Permanent
- Bylaws: Permanent
- Construction Documents: 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

ACCOUNTING AND CORPORATE TAX RECORDS:
- Annual Audits and Financial Statements: Permanent
- Depreciation Schedules: Permanent
- IRS Form 990 Tax Returns: Permanent
ACCOUNTING AND CORPORATE TAX RECORDS (continued):

- General Ledgers: 7 years/Permanent
- Business Expense Records: 7 years
- IRS Form 1099: 7 years
- Journal Entries: 7 years
- Invoices: 7 years

BANK RECORDS:

- 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
- W-2 Statements: 7 years

EMPLOYEE RECORDS:

- Employment and Termination Agreements: Permanent
- Retirement and Retirement Plan Documents: Permanent
- Records Relating to Promotion, Demotion or Discharge: 7 years after termination
- Accident Reports and Worker’s Compensation Records: 5 years
- Salary Schedules: 5 years
- Employment Applications: 3 years
- 1-9 Forms: 3 years after termination

DONOR AND GRANT RECORDS:

- Donor Records and Acknowledgment Letters: 7 years
- Grant Applications and Contracts: 7 years after completion

LEGAL INSURANCE AND SAFETY RECORDS:

- Appraisals: Permanent
- Intellectual Property Rights: Permanent
- Insurance Policies: 5 years after expiration
- Real Estate Documents: 3 years after disposition
- Leases: 6 years after expiration
- General Contracts: 3 years after termination

ELECTRONIC DOCUMENTS AND RECORDS:
Electronic documents will be retained as if they were 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 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 should be tested on a regular basis.

**EMERGENCY PLANNING:**
TPF's records will be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping TPF operating in an emergency will be duplicated or backed up at least every week and/or maintained on Northern Trust Passport.

**DOCUMENT DESTRUCTION:**
TPF 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. Documentation 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.

**COMPLIANCE:**
Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against TPF and TPF Persons and possible disciplinary action against responsible individuals. These procedures should be periodically reviewed with legal counselor TPF certified public accountant to ensure that TPF is in compliance with new or revised regulations.