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## **Document Retention and Destruction Policy**

An organization's records policies should ensure that necessary records and documents of are adequately protected and maintained and ensure that records that are no longer needed or are of no value are discarded at the proper time. In addition, it can aid employees in understanding their obligations in retaining electronic documents – including e-mail, Web files, text files, sound and movie files, PDF documents, and all Microsoft Office or other formatted files.

### **RECORD RETENTION AND DESTRUCTION POLICY**

#### **1) Policy**

This Policy represents BlueStarPR's policy regarding the retention and disposal of records and the retention and disposal of electronic documents.

#### **2) Administration**

Attached as Appendix A is a Record Retention Schedule that is approved as the initial maintenance, retention and disposal schedule for physical records of BlueStarPR and the retention and disposal of electronic documents. The Executive Director (the "Administrator") is the officer in charge of the administration of this Policy and the implementation of processes and procedures to ensure that the Record Retention Schedule is followed. The Administrator is also authorized to: make modifications to the Record Retention Schedule from time to time to ensure that it is in compliance with local, state and federal laws and includes the appropriate document and record categories for BlueStarPR; monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this Policy.

#### **3) Suspension of Record Disposal In Event of Litigation or Claims**

In the event BlueStarPR is served with any subpoena or request for documents or any employee becomes aware of a governmental investigation or audit concerning BlueStarPR or the commencement of any litigation against or concerning BlueStarPR, such employee shall inform the Administrator and

any further disposal of documents shall be suspended until such time as the Administrator, with the advice of counsel, determines otherwise. The Administrator shall take such steps as is necessary to promptly inform all staff of any suspension in the further disposal of documents.

**4) Applicability**

This Policy applies to all physical records generated in the course of BlueStarPR's operation, including both original documents and reproductions. It also applies to the electronic documents described above.

This Policy was approved by the Board of Directors of BlueStarPR on April 30, 2009.

## Appendix A – Record Retention Schedule

The Record Retention Schedule is organized as follows:

### SECTION TOPIC

- A. Accounting and Finance
- B. Contracts
- C. Corporate Records
- D. Electronic Documents
- E. Payroll Documents
- F. Personnel Records
- G. Property Records
- H. Tax Records
- I. Contribution Records

*Comment: The list of possible records suggests the potential breadth of items for which policies should be established. Every organization may not need all of these categories, but every organization should for itself determine which ones are relevant.*

The following are some common retention periods. These apply to both physical and electronic documents. If no physical copy of an electronic document is retained, the means to “read” the electronic document must also be retained.

### A. ACCOUNTING AND FINANCE

<u>Record Type</u>	<u>Retention Period</u>
Accounts Payable & Accounts Receivable ledgers and schedules	7 years
Annual Audit Reports and Financial Statements	Permanent
Annual Audit Records, including work papers and other documents that relate to the audit	7 years after completion of audit
Bank Statements and Canceled Checks	7 years
Credit card numbers	Full credit card numbers should not be retained any longer than immediate business needs and merchant account agreements dictate.
Employee Expense Reports	7 years

<u>Record Type</u>	<u>Retention Period</u>
General Ledgers	Permanent
Notes Receivable ledgers and schedules	7 years
Investment Records	7 years after sale of investment

## B. CONTRACTS

<u>Record Type</u>	<u>Retention Period</u>
Contracts and Related Correspondence (including any proposal that resulted in the contract and all other supportive documentation)	7 years after expiration or termination

*Comment: Some states may require longer retention period generally, or for specific types of contracts. A local attorney should be consulted.*

## C. CORPORATE RECORDS

<u>Record Type</u>	<u>Retention Period</u>
Corporate Records (minute books, signed minutes of the Board and all committees, corporate seals, articles of incorporation, bylaws, annual corporate reports)	Permanent
Licenses and Permits	Permanent

## D. ELECTRONIC DOCUMENTS

- 1. Electronic Mail:** Not all email needs to be retained, depending on the subject matter.
  - All e-mail—from internal or external sources—is to be deleted after 12 months.
  - Staff will strive to keep all but an insignificant minority of their e-mail related to business issues.
  - BlueStarPR will archive e-mail for six months after the staff has deleted it, after which time the e-mail will be permanently deleted.
  - All BlueStarPR business-related email should be downloaded to a service center or user directory on the server.

- Staff will not store or transfer BlueStarPR-related e-mail on non-work-related computers except as necessary or appropriate for BlueStarPR purposes.
  - Staff will take care not to send confidential/proprietary BlueStarPR information to outside sources.
  - Any e-mail staff deems vital to the performance of their job should be copied to the staff's H: drive folder, and printed and stored in the employee's workspace.
- 2. Electronic Documents:** including Microsoft Office Suite and PDF files.  
Retention depends on the subject matter.
- 3. Web Page Files: Internet Cookies**
- All workstations: Internet Explorer should be scheduled to delete Internet cookies once per month.

In certain cases a document will be maintained in both paper and electronic form. In such cases the official document will be the electronic document.

*Comment: This section may be the appropriate place to include other policies regarding email retention, usage or subject matter. Whether the paper or electronic document is the "official document" would be determined by each organization.*

## E. PAYROLL DOCUMENTS

<u>Record Type</u>	<u>Retention Period</u>
Employee Deduction Authorizations	4 years after termination
Payroll Deductions	Termination + 7 years
W-2 and W-4 Forms	Termination + 7 years
Garnishments, Assignments, Attachments	Termination + 7 years
Payroll Registers (gross and net)	7 years
Time Cards/Sheets	2 years
Unclaimed Wage Records	6 years

## F. PERSONNEL RECORDS

<u>Record Type</u>	<u>Retention Period</u>
Commissions/Bonuses/Incentives/Awards	7 years

<u>Record Type</u>	<u>Retention Period</u>
EEO- 1 /EEO-2 - Employer Information Reports	2 years after superseded or filing (whichever is longer)
Employee Earnings Records	Separation + 7 years
Employee Handbooks	1 copy kept permanently
Employee Personnel Records (including individual attendance records, application forms, job or status change records, performance evaluations, termination papers, withholding information, garnishments, test results, training and qualification records)	6 years after separation
Employment Contracts – Individual	7 years after separation
Employment Records - Correspondence with Employment Agencies and Advertisements for Job Openings	3 years from date of hiring decision
Employment Records - All Non-Hired Applicants (including all applications and resumes - whether solicited or unsolicited, results of post-offer, pre-employment physicals, results of background investigations, if any, related correspondence)	2-4 years (4 years if file contains any correspondence which might be construed as an offer)
Job Descriptions	3 years after superseded
Personnel Count Records	3 years
Forms I-9	3 years after hiring, or 1 year after separation if later

*Comment: Many employment and employment tax related laws have both state and Federal law requirements. A local attorney should be consulted.*

## **G. PROPERTY RECORDS**

<u>Record Type</u>	<u>Retention Period</u>
Correspondence, Property Deeds, Assessments, Licenses, Rights of Way	Permanent
Property Insurance Policies	Permanent

## H. TAX RECORDS

<u>Record Type</u>	<u>Retention Period</u>
Tax-Exemption Documents and Related Correspondence	Permanent
IRS Rulings	Permanent
Excise Tax Records	7 years
Payroll Tax Records	7 years
Tax Bills, Receipts, Statements	7 years
Tax Returns - Income, Franchise, Property	Permanent
Tax Workpaper Packages - Originals	7 years
Sales/Use Tax Records	7 years
Annual Information Returns - Federal and State	Permanent
IRS or other Government Audit Records	Permanent

*Comment: Retention period for sales taxes and property taxes are determined by state law. A local accountant or attorney should be consulted.*

## I. CONTRIBUTION RECORDS

<u>Record Type</u>	<u>Retention Period</u>
Records of Contributions	7 years
Documents evidencing terms, conditions or restrictions on gifts	7 years after funds are expended