

## **HEAD START COMMUNITY PROGRAM OF MORRIS COUNTY, INC.**

### **Record Retention and Destruction Policy**

#### **Purpose**

This policy is intended to assure that all records regarding the operations of Head Start Community Program of Morris County (the “**Organization**”) are maintained as long as they remain useful to achieving the Organization’s purpose, are retained for so long as the Organization is legally required to do so, are not accidentally or innocently destroyed, and are properly disposed of when they are no longer useful or required by law to be retained.

#### **Record Retention**

The term “records” includes all documents and records that the Organization and its personnel create or receive in connection with carrying on the Organization’s activities, whether on paper, in electronic files, by voice mail or any other form or medium.

The tables attached in **Annex A** set forth minimum retention periods for various types of records. The ultimate decision whether to retain particular records longer will be made by the Executive Director who is responsible for this policy, together with the Organization’s legal counsel. Records that are not specifically listed in **Annex A** should be retained for the same period as the listed records they most closely resemble. Correspondence related to any record should be retained for the same period as the related record. If you have any question how a record should be treated, err on the side of caution and ask the Executive Director.

#### **Record Storage**

Records must be stored so that they are secure and accessible. Security procedures must be followed to prevent malicious or unauthorized access. Records that are vital to restoring operations after a disaster or recreating the Organization’s legal or financial status should be duplicated and the duplicates kept off-site.

#### **Record Destruction**

Records will be destroyed or disposed of when they are no longer subject to retention in accordance with this policy, under the direction of the Executive Director. Destruction or disposal should be by a means that ensures permanency and, in the case of electronic records, complete erasure. Applicable data privacy laws may apply and must be followed. In particular, records that contain

confidential or personal information of the Organization's employees, clients or other persons must be destroyed or disposed of so that the confidentiality of that information is preserved.

### **Suspension of Record Destruction**

If a lawsuit is filed or reasonably anticipated, a government investigation is pending or threatened, or a legal document request has been made upon the Organization, all destruction or disposal of records, including routine destruction under this policy, **MUST CEASE**. Any records that are identified as relevant to any of the foregoing must be preserved until it is definitively determined by the Organization's legal counsel that they are no longer relevant. This paragraph describes legal obligations of the Organization and failure to comply can have serious legal consequence. Any question regarding these obligations should be addressed to the Executive Director.

### **Supervision of Record Retention and Destruction**

The Organization's Executive Director is responsible for implementing and administering this policy. All questions regarding record retention and destruction, as well as this policy, should be addressed to the Executive Director.

### **Violations of this Policy**

Violations of this policy will be subject to such disciplinary and corrective action as the Board of Trustees deems appropriate.

### **Periodic Reviews**

This policy should be reviewed periodically to ensure that it continues to satisfy the obligations of the Organization. Any changes to the policy will be communicated promptly to all staff.

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## ANNEX A

### Minimum Record Retention Periods

<b>Fundamental Corporate Records</b>	
Articles or certificate of incorporation and amendments	Permanent
Bylaws and amendments	Permanent
Records of Board and Board Committee actions	Permanent
IRS application for tax-exempt status on Form 1023	Permanent
IRS tax-exempt determination letter	Permanent
IRS taxpayer identification number notice	Permanent
State sales tax exemption letter	Permanent
Business Licenses	Permanent

<b>Corporate Tax Records</b>	
IRS annual form 990, 990-EZ, 990-N, 990-T and 990-W tax reports and all schedules and attachments	Permanent
State annual reports and all schedules and attachments	Permanent
Depreciation schedules and backup	7 years after disposition of asset
Employment withholding tax records	6 years      4 years per Feds.*
IRS audit reports and related documents	Permanent
Federal and State payroll tax returns	10 years      4 years per Feds.*
FICA Wage records and returns on Form 941	6 years      4 years per Feds.*
Forms 1099	6 years
Forms 8282, 8283 and 8300 – cash transaction reports	7 years
Retirement and pension plan returns	Permanent
Employee W-2 and W-4 forms	6 years
Property tax records	7 years
Other tax records	6 years

<b>Accounting Records</b>	
Audit reports and annual financial statements	Permanent
Accounting ledgers (general, accounts receivable, accounts payable ) and related records	7 years
Journals (general, cash receipts, cash disbursements, payroll, sales, purchases) and related records	7 years
Fixed assets records	Permanent
Business Expense records	7 years

<b>Employee Records</b>	
Employee benefit plan disclosures, annual reports and summary plan descriptions	Permanent 6 years per Feds.*
Employee Handbook	Permanent
Group disability records	10 years
Immigration – INS Form I-9 (employment eligibility verification form)	7 years after termination of employment 3 years for Feds.*
<b>Individual employee records</b>	
Applications for hire	1 year (not hired) otherwise 7 years after termination of employment *
Employment, internship, termination and separation agreements	7 years after termination of employment
Personnel files	7 years after termination of employment
Benefit, pension and retirement plan records	7 years after employee leaves the plan
Drug test records	1 year *
Documents relating to appraisals, promotions, demotions, transfers, layoffs, terminations, etc.	7 years after termination of employment
Earnings records, including time cards	7 years after termination of employment 3 years per Feds.*
Employee medical records	7 years after termination of employment
Expense reports – travel and entertainment	7 years
Family and Medical Leave Act (FMLA) records	7 years after termination of employment

<b>Employee Records (cont')</b>	
Payroll records	Permanent
Worker's compensation claims and related documents	7 years after termination of employment
Unemployment insurance records	7 years after termination of employment
Employee exposure and medical records regarding toxic substances or harmful physical agents'	30 years after termination of employment*
EEO -1 reports (employers with 100 or more employees)	Permanent
Family Medical Leave	3 years *
COBRA records	6 years *

<b>General Business Records</b>	
Accident reports	7 years
Bank deposit slips	7 years (may be available online)
Banking documents	7 years (may be available online)
Brokerage statements and stock transaction records	7 years (may be available online)
Capital stock book	Permanent
Contracts and leases generally	7 years after expiration
Collective Bargaining Agreements	Permanent
Correspondence (general)	7 years
Correspondence (legal and tax)	Permanent
Evacuation and emergency action plan	Permanent
Insurance audit reports	10 years
Insurance claims	10 years after settlement
Insurance policies and certificates	7 years after expiration
Litigation or litigation-related support documentation	Permanent
Invoices	7 years
Sales records (box office, concessions, gift shop)	5 years
Petty cash vouchers	3 years
Cash receipts	3 years
Credit card receipts	3 years
Purchase orders	7 years

<b>General Business Records (cont')</b>	
Receipts (cash and other office receipts)	7 years
Sales invoices	7 years
Vendor invoices	7 years
Warranty documents	1 year after expiration

<b>Donation and Funding Records</b>	
Records relating to fundraising activities	7 years
Records relating to donations received	7 years
Grants (un-funded)	1 year
Records relating to grants or funding to beneficiaries, including case histories on grants to individuals	7 years after completion
Records of searches on beneficiaries of funds abroad, including Office of Foreign Asset Control databases, pursuant to U.S. anti-terrorism laws	5 years

<b>Legal and Risk Management Records</b>	
Copyright, patent and trademark registrations and related documents	Permanent
URL registrations and terms and policies related to websites maintained	7 years from termination of registration or of policy
Policies of insurance and all riders and endorsements	Permanent
OSHA documents (except employee exposure and medical records)	5 years *
Contracts	7 years after termination
Documents relating to pending or threatened litigation or governmental investigation or administrative action	7 years from final judgment or settlement
Polygraph test and reason for administering	3 years *

<b>Property Records</b>	
Deeds, bills of sale and title documents	7 years after disposition of asset
Mortgages and notes, amendments and discharges	Permanent
Leases	7 years after termination
Property appraisal and valuation reports	7 years after disposition of asset
Motor vehicle records	7 years after disposition

<b>Client Records</b>	
Complete client records	7 years after case us closed
Phone logs, information & referrals for clients not fully accepted into the program	1 year
Statistics tracking levels of service and client outcomes	Permanent

*\* Equals or exceeds Federal Record Retention Requirements*