

**Cottonwood, Inc.
Policies and Procedures**

SECTION: Administrative**POLICY NO:** 04-022**SUBJECT:** Retention and Destruction of Administrative, Financial, and Personnel Records**EFFECTIVE DATE:** July 1988**Policy:**

Appropriate safeguards will be applied to protect confidential Administrative, Financial, and Personnel records and minimize the possibility of loss or destruction of records at Cottonwood, Inc. in accordance with Federal and State laws and regulations.

Procedures:

All Administrative, Financial, and Personnel records, regardless of form, characteristics, or medium, shall be retained according to the retention periods set forth in the following schedule. Electronic records shall be retained based on content rather than form, characteristics, or medium. Records that are not listed but are substantially similar to those listed in the schedule will be retained for the appropriate retention period. The Chief Executive Officer or Chief Financial Officer may give permission to destroy those records and files which have been retained beyond the applicable retention period.

ADMINISTRATIVE RECORDS

1. 501(c)(3) Letter from the IRS	Permanent
2. Annual Reports filed with Secretary of State	Permanent
3. Articles of Incorporation and By-Laws	Permanent
4. Board Meeting and Board Committee Minutes	Permanent
5. Contracts, mortgages, notes, and leases	7 years (after expiration)
6. Correspondence (general)	3 years
7. Emergency Drill Records	2 years
8. Fire Department Inspections	3 years
9. Grant Applications or Contracts	7 years (after completion)
10. Insurance Records, accident reports, claims, policies	Permanent
11. Minutes: Committee, Management, Departmental	3 years
12. Open Records Requests	5 years
13. Property Records (deeds, titles)	Permanent
14. RFPs	3 years
15. Sales Tax Exemption	Permanent

FINANCIAL RECORDS

1. 990 Tax Returns and Audited Financial Statements	Permanent
2. 1099 Forms	7 years
3. Accounts Payable Ledgers and Schedules	7 years
4. Bank Statements and Reconciliations	7 years
5. Billing and Sales Records	6 years
6. Cancelled Check Images	3 years
7. Check Register	Permanent
8. Fixed Asset Records and Depreciation Schedules	Permanent
9. General Ledgers	Permanent
10. Inventory Records	3 years
11. Invoices	7 years
12. Journal Entries	7 years
13. Monthly Financial Printouts	3 years
14. Payroll Tax Returns	7 years
15. Receipts: Cash and Credit Cards	3 years
16. Remittance Advices for Medicaid payments	5 years
17. Requisitions re: Government Contracts	8 years
18. CDDO Records	6 years

PERSONNEL RECORDS

1. Affirmative Action Programs	3 years
2. Earnings Records	7 years
3. EEO Records	3 years
4. Employment Applications	2 years (Current Year and Prior Year)
5. Employment and Termination Agreements	Permanent (or 3 years per FLSA)
6. FMLA Records	3 years
7. Garnishment Records	7 years
8. I-9 Forms	3 years (after termination)
9. Job Opening Advertisements	1 year
10. Payroll Registers	Permanent
11. Personnel Records	7 years (after termination)
12. Retirement and Pension Plan Documents	Permanent
13. Sign In/Out Records	5 years
14. State Unemployment Tax Records	Permanent
15. Time Cards	5 years
16. W-2 Statements	7 years
17. Worker's Compensation Records	5 years

STORAGE OF RECORDS

Records shall be stored in a safe, secure, and accessible manner. Electronic records shall be retained in electronic format and remain accessible, searchable, retrievable, and authentic for the applicable retention period. Printing and retaining a hard copy of an electronic record is not a preferred option for storing electronic records. Backup and recovery methods will be tested on a regular basis.

EMAIL RECORDS

Email records are subject to the preceding retention schedule. Email records that do not require retention may be deleted when they are no longer needed. Email records that require retention shall be stored and managed accordingly, which may include moving such records to an “archive” computer file folder.

EMERGENCY PLANNING

Records that are essential to keeping Cottonwood, Inc. operating in an emergency will be duplicated or backed up according to Policy 02-021.

LITIGATION HOLDS

In the event of an investigation or litigation or if an investigation or litigation appears imminent or foreseeable, a “litigation hold” will be imposed and records relating to the investigation or litigation must be retained regardless of the applicable retention periods. The destruction or disposal of such records shall be suspended until such time as the Chief Executive Officer, upon the advice of counsel, determines otherwise. The Chief Executive Officer, or his or her designee, shall take the necessary steps to promptly inform the appropriate personnel of the litigation hold and ensure that the destruction or disposal of such records is suspended.

DOCUMENT DESTRUCTION

Destruction of financial and personnel-related records will be accomplished by shredding. Destruction of records will not take place if any regulatory or financial audit is in progress or when any audit findings, litigation, or claims involving the records have not been resolved.

COMPLIANCE

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against Cottonwood, Inc. and its employees and possible disciplinary action against responsible individuals. These procedures will be reviewed periodically, and at times with legal counsel or the organization’s certified public accountant, to ensure that they are in compliance with new or revised regulations.