

THE LEICHTAG FAMILY FOUNDATION RECORD RETENTION AND DESTRUCTION POLICY

I. Purpose

The records of the Leichtag Family Foundation (the “**Foundation**”) are important to the proper functioning of, and the most efficient and effective operation of, the Foundation. The records of the Foundation include virtually all of the records produced by the Foundation’s directors, employees and volunteers, both in electronic and paper form. Items that may seem unimportant, such as interoffice e-mails, desktop calendars and printed memoranda are nonetheless considered important under this Policy.

The purpose of this Policy is to ensure that necessary records and documents of the Foundation are adequately protected and maintained and to ensure that records that are no longer needed by the Foundation or are of no value are appropriately discarded at the proper time. This Policy is also for the purpose of aiding directors, employees and volunteers (sometimes referred to herein as, “**you**”) of the Foundation 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. If you are ever uncertain as to any procedures set forth in this Policy (e.g., what records to retain or destroy, when to do so, or how), it is your responsibility to seek answers from the Administrator of this Policy.

II. Policy and Scope

This Policy represents the Foundation’s policy regarding the retention and disposal of records and the retention and disposal of electronic documents. This Policy applies to all physical records generated in the course of the Foundation’s operation, including both original documents and reproductions. It also applies to the electronic documents described above.

The goals of this Policy are to:

- Retain important documents for reference and future use;
- Delete documents that are no longer necessary for the proper functioning of the Foundation;
- Organize important documents for efficient retrieval; and
- Ensure that the Foundation’s directors, employees and volunteers know what documents should be retained, the length of their retention, means of storage, and when and how they should be destroyed.

Federal and state laws require the Foundation to maintain certain types of records for particular periods. Failure to maintain such records could subject you and the Foundation to penalties and fines, obstruct justice, spoil legal evidence, and/or seriously harm the Foundation’s position in a tax or litigation matter. Thus, it is imperative that you fully understand and comply with this Policy, and any future records retention or destruction policies and schedules, unless you have been notified by the Foundation, or if you believe that: (i) such records are or could be relevant to any future tax or litigation matter; (ii) there is a dispute that could lead to litigation; or

(iii) the Foundation is a party to a lawsuit, in which case you must preserve records until the Foundation's legal counsel determines that the records are no longer needed.

“**Records**” discussed herein refers to all business records of the Foundation (and is used interchangeably with “**documents**”), including written, printed, and recorded materials, as well as electronic records (i.e., e-mails and documents saved electronically). All business records shall be retained for a period no longer than necessary for the proper conduct and functioning of the Foundation. No business records shall be retained longer than seven (7) years, except those that: (i) have periods provided for herein; (ii) are in the Record Retention Schedule, found at Appendix A; or (iii) are specifically exempted by the Administrator.

III. Administration and Oversight

Attached as Appendix A is a Record Retention Schedule (the “**RRS**”) that is approved as the initial maintenance, retention and disposal schedule for physical records of the Foundation and the retention and disposal of electronic documents. The President of the Foundation (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: (i) make modifications to the RRS 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 the Foundation; (ii) monitor local, state and federal laws affecting record retention; (iii) annually review the record retention and disposal program; and (iv) monitor compliance with this Policy.

To ensure compliance with this Policy, the Administrator is responsible for the following oversight functions:

- Implementing this Policy;
- Ensuring that directors, employees and volunteers are properly educated, understand, and follow this Policy and the RRS;
- Providing oversight on actual retention and destruction of documents;
- Ensuring proper storage of documents;
- Periodically following-up with counsel to ensure proper retention periods are in place;
- Ensuring the proper storage of documents;
- Suspending the destruction of documents upon foreseeable litigation; and
- Keeping corporate officers, directors, and employees apprised of changes in relation to this Policy or the RRS.

The Administrator shall annually review this Policy and RRS, modify them accordingly, and inform and educate all the Foundation's directors, employees and volunteers on any such changes. All questions relating to document retention and/or destruction should be directly addressed to the Administrator.

IV. Types of Records

The RRS at Appendix A lists several categories of records, as well as specific records that contain specific retention periods. All records not provided for in the RRS or described herein, shall be classified into three types: (i) Temporary Records; (ii) Final Records; and (iii) Permanent Records.

Temporary Records

Temporary records include all business documents that have not been completed. Such include, but are not limited to written memoranda and dictation to be typed in the future, reminders, to-do lists, reports, case studies, and calculation drafts, interoffice correspondence regarding a client or business transaction, and running logs. Temporary records can be destroyed, or permanently deleted if in electronic form (see protocol below for proper destruction of data in electronic form) when a project/case/file closes. Upon the closing of a project/case/file, gather and review all such temporary records. Before you destroy or permanently delete these documents, make sure you have duplicates of all the final records pertaining to the project/case/file. Upon destruction or deletion, organize the final records (and duplicates) in a file marked “FINAL” and store them appropriately.

Final Records

Final records include all business documents that are not superseded by modification or addition. Such include, but are not limited to: documents given (or sent via electronic form) to any third party not employed by the Foundation, or government agency; final memoranda and reports; correspondence; handwritten telephone memoranda not further transcribed; minutes; design/plan specifications; journal entries; cost estimates; etc. All accounting records shall be deemed final. Except as provided for in the RRS, all final documents are to be discarded ten (10) years after the close of a project/case/file.

Permanent Records

Permanent records include all business documents that define the Foundation’s scope of work and activities, expressions of professional opinions, research and reference materials. Such include, but are not limited to contracts, proposals, materials referencing expert opinions, annual financial statements, federal tax returns, payroll registers, copyright registrations, patents, etc. Except as provided for in the RRS, all permanent documents are to be retained indefinitely.

Accounting and Corporate Tax Records

Accounting and corporate tax records include, but are not limited to: financial statements; ledgers; audit records; invoices and expense records; federal, state, and property tax returns; payroll; accounting procedures; gross receipts; customer records; purchases; etc. Unless otherwise specified in the RRS, such records should be retained for the minimum of six (6) years or until the statute of limitations for a particular record expires (please consult, or ask the

Administrator to consult, the Foundation's counsel for time periods if you manage/control such records).

Workplace Records

Workplace records include, but are not limited to Articles of Incorporation, bylaws, meeting minutes, deeds and titles, leases, policy statements, contracts and agreements, patents and trademark records, etc. Unless otherwise specified in the RRS, such records should be retained in perpetuity.

Employment, Employee, and Payroll Records

Employment records include, but are not limited to job announcements and advertisements; employment applications, background investigations, resumes, and letters of recommendation of persons not hired; etc. Unless otherwise specified in the RRS, such records should be retained for the minimum of one (1) year. Employee records include, but are not limited to employment applications, background investigations, resumes, and letters of recommendation of current and past employees, records relating to current and past employee's performance reviews and complaints, etc. Unless otherwise specified in the RRS, such records should be retained for the minimum of three (3) years following unemployment with Organization. Payroll records include, but are not limited to wage rate tables; salary history; current rate of pay; payroll deductions; time cards; W-2 and W-4 forms; bonuses; etc. Unless otherwise specified in the RRS, such records should be retained for the minimum of six (6) years.

Bank Records

Bank records include, but are not limited to bank deposits; check copies; stop payment orders; bank statements; check signature authorizations; bank reconciliations; etc. Unless otherwise specified in the RRS, such records should be retained for the minimum of three (3) years.

Legal Records

Legal records include, but are not limited to all contracts, legal records, statements, and correspondence, trademark and copyright registrations, patents, personal injury records and statements, press releases, public findings, etc. Unless otherwise specified in the RRS, such records should be retained for the minimum of ten (10) years.

Historical Records

Historical records are those that are no longer of use to the Foundation, but by virtue of their age or research value may be of historical interest or significance to the Foundation. Historical records should be retained indefinitely.

V. Storage

Tangible Records

Tangible records are those in which you must physically move to store, such as paper records (including records printed versions of electronically saved documents), photographs, audio recordings, advertisements and promotional items. Active records and records that need to be easily accessible may be stored in the Foundation's office space or equipment. Inactive records can be sent to the Foundation's off-site storage facility.

Electronic Records

Electronic mail ("**e-mail**") should be either printed and stored as tangible evidence, or downloaded to a computer file and kept electronically or on a disk. The Foundation has computer software that duplicates files, which are then backed-up on central servers. If you have a notebook computer from the Foundation that you work on out of the office, your computer should contain synchronization software that duplicates and backs-up files when you log into the network. However, it is important that all employees take precautionary measures to save work and records on the Foundation's network drive. If you save sensitive or important records on computer disks, you should duplicate the information in an alternate format because disks are easily lost or damaged.

VI. Destruction/Deletion

Tangible Records

Tangible records should be destroyed by shredding or some other means that will render them unreadable. If you have a record that you do not know how to destroy, such as a photograph, compact disk, or tape recording, ask the advice of the Administrator.

Electronic Records

E-mail records that you "delete" typically remain in the Foundation's system. Thus, the Foundation's information technology ("**IT**") department (or an outside service provider) will be responsible for permanently removing deleted emails from the computer system. Deleting files and emptying the recycling bin is usually sufficient in most circumstances to get rid of a record. However, because electronic records can be stored in many locations, the Foundation's IT department (or an outside service provider) will be responsible for permanently removing deleted files from the computer system. Keep in mind, where duplicate records are involved, both copies must be destroyed/deleted where proper.

VII. Suspension of Record Disposal In Event of Litigation or Claims

In the event the Foundation is served with any subpoena or request for documents or any employee becomes aware of a governmental investigation or audit concerning the Foundation or

the commencement of any litigation against or concerning the Foundation, 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.

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. Correspondence and Internal Memoranda
- E. Electronic Documents
- F. Grant Records
- G. Insurance Records
- H. Legal Files and Papers
- I. Miscellaneous
- J. Payroll Documents
- K. Pension Documents
- L. Personnel Records
- M. Property Records
- N. Tax Records
- O. Contribution Records
- P. Programs & Services Records
- Q. Fiscal Sponsor Project Records

A. ACCOUNTING AND FINANCE

Record Type	Retention Period
Accounts Payable ledgers and schedules	7 years
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
Annual Plans and Budgets	2 years
Bank Statements and Canceled Checks	7 years

Record Type	Retention Period
Employee Expense Reports	7 years
General Ledgers	Permanent
Interim Financial Statements	7 years
Notes Receivable ledgers and schedules	7 years
Investment Records	7 years after sale of investment
Credit card records (documents showing customer credit card number)	2 years

B. CONTRACTS

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

C. CORPORATE RECORDS

Record Type	Retention Period
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. CORRESPONDENCE AND INTERNAL MEMORANDA

General Principle: Most correspondence and internal memoranda should be retained for the same period as the document they pertain to or support. For instance, a letter pertaining to a particular contract would be retained as long as the contract (7 years after expiration). It is recommended that records that support a particular project be kept with the project and take on the retention time of that particular project file.

Correspondence or memoranda that do not pertain to documents having a prescribed retention period should generally be discarded sooner. These may be divided into two general categories:

1. Those pertaining to routine matters and having no significant, lasting consequences should be discarded *within two years*. Some examples include:
 - Routine letters and notes that require no acknowledgment or follow-up, such as notes of appreciation, congratulations, letters of transmittal, and plans for meetings.
 - Form letters that require no follow-up.

- Letters of general inquiry and replies that complete a cycle of correspondence.
- Letters or complaints requesting specific action that have no further value after changes are made or action taken (such as name or address change).
- Other letters of inconsequential subject matter or that definitely close correspondence to which no further reference will be necessary.
- Chronological correspondence files.

Please note that copies of interoffice correspondence and documents where a copy will be in the originating department file should be read and destroyed, unless that information provides reference to or direction to other documents and must be kept for project traceability.

2. Those pertaining to non-routine matters or having significant lasting consequences should generally be retained permanently.

E. ELECTRONIC DOCUMENTS

1. **Electronic Mail:** Not all e-mail 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.
 - The Foundation will archive e-mail for six months after the staff has deleted it, after which time the e-mail will be permanently deleted.
 - All the Foundation's business-related email should be downloaded to a service center or user directory on the server.
 - You will not store or transfer Foundation-related e-mail on non-work-related computer except as necessary or appropriate for the Foundation's purposes.
 - You will take care not to send confidential/proprietary information of the Foundation to outside sources.
2. **Electronic Documents**, including Microsoft Office Suite and PDF files. Retention also depends on the subject matter.
 - PDF documents – The length of time that a PDF file should be retained should be based upon the content of the file and the category under the various sections of this Policy.
 - Text/formatted files – You will conduct annual reviews of all text/formatted files (e.g., Microsoft Word documents) and will delete all those you consider unnecessary or outdated. After five years, all text files will be deleted from the network and the staff's desktop/laptop.
3. **Web Page Files: Internet Cookies**
 - All workstations: Internet Explorer should be scheduled to delete Internet cookies once per month.

The Foundation does not automatically delete electronic files beyond the dates specified in this Policy. It is your responsibility to adhere to the guidelines specified in this Policy.

Each day the Foundation will run a tape backup copy via remote backup of all electronic files (including e-mail) on the Foundation's servers, as specified in the Foundation's Disaster Recovery Plan. This backup tape is a safeguard to retrieve lost information within a one-year retrieval period should documents on the network experience problems. The tape backup copy is

considered a safeguard for the record retention system of the Foundation, but is not considered an official repository of the Foundation's records. All monthly and yearly tapes are stored offsite according to the Foundation's Disaster Recovery Policy.

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.

F. GRANT RECORDS

Record Type	Retention Period
Original grant proposal	7 years after completion of grant period
Grant agreement and subsequent modifications, if applicable	7 years after completion of grant period
All requested IRS/grantee correspondence including determination letters and "no change" in exempt status letters	7 years after completion of grant period
Final grantee reports, both financial and narrative	7 years after completion of grant period
All evidence of returned grant funds	7 years after completion of grant period
All pertinent formal correspondence including opinion letters of counsel	7 years after completion of grant period
Report assessment forms	7 years after completion of grant period
Documentation relating to grantee evidence of invoices and matching or challenge grants that would support grantee compliance with the grant agreement	7 years after completion of grant period
Pre-grant inquiry forms and other documentation for expenditure responsibility grants	7 years after completion of grant period
Grantee work product produced with grant funds	7 years after completion of grant period

G. INSURANCE RECORDS

Record Type	Retention Period
Annual Loss Summaries	10 years
Audits and Adjustments	3 years after final adjustment
Certificates Issued to the Foundation	Permanent
Claims Files (including correspondence, medical records, injury documentation, etc.)	Permanent

Record Type	Retention Period
Group Insurance Plans - Active Employees	Until Plan is amended or terminated
Group Insurance Plans – Retirees	Permanent or until 6 years after death of last eligible participant
Inspections	3 years
Insurance Policies (including expired policies)	Permanent
Journal Entry Support Data	7 years
Loss Runs	10 years
Releases and Settlements	25 years

H. LEGAL FILES AND PAPERS

Record Type	Retention Period
Legal Memoranda and Opinions (including all subject matter files)	7 years after close of matter
Litigation Files	1 year after expiration of appeals or time for filing appeals
Court Orders	Permanent
Requests for Departure from Records Retention Plan	10 years

I. MISCELLANEOUS

Record Type	Retention Period
Consultant's Reports	2 years
Material of Historical Value (including pictures, publications)	Permanent
Policy and Procedures Manuals – Original	Current version with revision history
Policy and Procedures Manuals - Copies	Retain current version only
Annual Reports	Permanent

J. PAYROLL DOCUMENTS

Record Type	Retention Period
Employee Deduction Authorizations	4 years after termination
Payroll Deductions	Termination + 7 years

Record Type	Retention Period
W-2 and W-4 Forms	Termination + 7 years
Garnishments, Assignments, Attachments	Termination + 7 years
Labor Distribution Cost Records	7 years
Payroll Registers (gross and net)	7 years
Time Cards/Sheets	2 years
Unclaimed Wage Records	6 years

K. PENSION DOCUMENTS AND SUPPORTING EMPLOYEE DATA

General Principle: Pension documents and supporting employee data shall be kept in such a manner that can establish at all times whether or not any pension is payable to any person and if so the amount of such pension.

Record Type	Retention Period
Retirement and Pension Records	Permanent

L. PERSONNEL RECORDS

Record Type	Retention Period
Commissions/Bonuses/Incentives/Awards	7 years
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 Medical Records	Separation + 6 years
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	3 years from date of hiring decision

Record Type	Retention Period
Employment Agencies and Advertisements for Job Openings	
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

M. PROPERTY RECORDS

Record Type	Retention Period
Correspondence, Property Deeds, Assessments, Licenses, Rights of Way	Permanent
Original Purchase/Sale/Lease Agreement	Permanent
Property Insurance Policies	Permanent

N. TAX RECORDS

General Principle: The Foundation must keep books of account or records as are sufficient to establish amount of gross income, deductions, credits, or other matters required to be shown in any tax return.

These documents and records shall be kept for as long as the contents thereof may become material in the administration of federal, state, and local income, franchise, sales and property tax laws.

Record Type	Retention Period
Tax-Exemption Documents and Related Correspondence	Permanent
Rulings and Determination Letters	Permanent
Excise Tax Records	7 years
Payroll Tax Records	7 years

Record Type	Retention Period
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

O. CONTRIBUTION RECORDS

Record Type	Retention Period
Records of Contributions	Permanent
The Foundation's or other documents evidencing terms of gifts	Permanent

P. PROGRAM AND SERVICE RECORDS

Record Type	Retention Period
Records relating to programs run by the Foundation	7 years from completion of program
Research & Publications	Permanent (1 copy only)

Q. FISCAL SPONSOR PROJECT RECORDS

Record Type	Retention Period
Sponsorship agreements	Permanent

ACKNOWLEDGEMENT

I have read and understand the purpose of the foregoing Leichtag Family Foundation Record Retention and Destruction Policy, consisting of thirteen (13) pages. I understand that strict adherence to this Policy is a condition of my association with Foundation. If I do not understand something regarding this Policy, I will contact the Administrator of the Policy immediately for clarification. I agree to abide by the Foundation's Policy.

Dated: _____

Signature: _____

Print Name: _____

Title: _____