

STANDARD OPERATING PROCEDURE
RECORD RETENTION AND DESTRUCTION POLICY
FINANCE COMMITTEE

I. Purpose

- A. North Central Texas Trauma Regional Advisory Council (NCTTRAC) recognizes the need to maintain complete, accurate and high quality business records (Records) and to regularly dispose of unnecessary and outdated documents and files in order to maintain organization efficiencies by limiting the cost of record storage and the volume of documents chronicled by staff. Prudent business operation requires that disposal of documents be undertaken with caution, lest a record be destroyed that is needed later. In addition, the Sarbanes-Oxley Act (the Act) makes it a crime to alter, cover-up, falsify, or destroy any record to prevent its use in an official proceeding. The Act turns intentional document destruction into a process that must be monitored, justified, and carefully administered.
- B. All organization employees and agents are responsible for ensuring that all records are created, used, maintained, preserved, and destroyed in accordance with this Record Retention and Destruction Policy.

II. Policy

- A. This policy provides clear and mandatory requirements for both the retention of organizational records and for an intentional, periodic process for the destruction of records. NCTTRAC follows the Texas State Records Retention Schedule as published in TAC, Title 13, Ch. 6, S 6.1 by the Texas State Library and Archives Commission.
- B. Records containing confidential and proprietary information will be securely maintained, controlled, and protected to prevent unauthorized access.
- C. All records generated and received by NCTTRAC are the property of the organization.
 - 1. No employee, by virtue of their position, has any personal or property right to such records even though they may have developed or compiled them.
 - 2. The unauthorized destruction, removal, or use of such records is prohibited.
- D. No one may falsify or inappropriately alter information in any record or document.
- E. When appropriate, inactive paper records scheduled for destruction in future periods will be stored in containers (such as banker's boxes), with contents clearly labeled and with the destruction date clearly indicated on the box.
 - 1. The Comptroller is responsible for maintaining a list of records along with their scheduled destruction date.
 - 2. Records will be reviewed at least annually in accordance with this policy and files will be approved for destruction or, if needed, the destruction date will be revised and the files retained.
- F. Records that have satisfied their required period of retention will be destroyed in an appropriate manner.
 - 1. Destruction of financial and personnel-related documents will be accomplished by shredding.
 - 2. The historical or archival value of some records should be considered in light of future research or public relations purposes before the records are destroyed.
 - 3. Managers may request an exception to the policy by presenting an assessment of the particular situation to the Comptroller (or designee).
- G. The Comptroller will be responsible for the administration of the Policy. Any changes or revisions to the policy or retention schedule will be approved by the Finance Committee and the Board of Directors.

- H. Electronic files are considered the same as a paper file.
 - 1. If a document only exists electronically, it should be retained for the same retention period.
 - 2. Electronic media containing electronic files should be clearly identified and where appropriate, aggregated in individual network folders by destruction date.
- I. Information pertaining to unauthorized destruction, removal or use of organization records, or regarding falsifying or inappropriately altering information in a record or document should be reported directly to the Comptroller in accordance with the NCTTRAC Whistleblower Policy.

III. Litigation

- A. If any litigation, claim or audit is started before the expiration of the stated retention period, the records relating to that subject shall be retained until all litigation, claims, or audit findings involving those records have been resolved and final action taken, or until the stated retention period is expired, whichever is longest.
- B. In case of litigation, electronic records have the same status as paper records.
 - 1. Voice mail and e-mail can be considered subject to mandatory retention in cases of litigation.
 - 2. While litigation issues are highly unlikely, if a case should arise the assistance of technical staff will be sought to preserve the appropriate electronic messages.
- C. The Comptroller will be responsible for notifying affected employees of changes to retention requirements in cases where litigation or pending claims extends the retention period and will work collectively to identify records that may apply to the issue in question.

IV. Emergency Planning

NCTTRAC's records will be stored in a safe, secure and accessible manner. Documents and financial files that are essential to keeping NCTTRAC operating in an emergency will be duplicated or backed up at least every week and maintained off site.

V. Compliance

- A. Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against NCTTRAC and its employees and possible disciplinary action against responsible individuals.
- B. The Comptroller and Finance Committee Chair will periodically review these procedures to ensure that they are in compliance with new or revised regulations.

VI. Definitions

- A. Record – A record is recorded information, regardless of medium or characteristic, which can be retrieved at any time. It includes all original documents, papers, letters, cards, books, photographs, sound or video recordings, magnetic tape, electronic media, and other information containing media that are generated or received in connection with transacting the organization's business. If not stipulated otherwise, these are the records to which the retention schedule applies.
- B. Non-Record – Non-record material includes duplicate copies of correspondence, duplicate copies of records used for short-term reference purposes, blank forms, stocks of publications, magazines, newspapers, public telephone directories, and transitory messages used primarily for the informal communication of information.
 - 1. Transitory messages do not set policy, establish guidelines or procedures, certify a transaction or become a receipt.

2. Transitory messages may include, but are not limited to: e-mail messages with short-lived or no administrative value, voice mail and telephone messages.
 3. Notes of unofficial meetings, telephone conversations or other personal notes, when generated, should be routinely discarded when they are no longer useful. For example, when informal notes are transferred to a more formal record, the notes are no longer useful and should be discarded.
 4. Preliminary working papers and superseded drafts, particularly after subsequent versions are finalized, should be discarded.
 5. Non-records are maintained for as long as administratively needed and the retention schedule does not apply.
 6. Non-records may be discarded when the business use has terminated.
- C. E-mail Communications – E-mail communications (E-mail), messages, and documents transmitted by E-mail are similar to paper documents.
1. E-Mail may be considered a business records and is subject to this policy.
 2. E-mail should be considered the same as a paper memo or document to determine whether an the message must be retained and for how long.
 3. If a memo would be retained due to its content, then an e-mail message with the same content should be retained for the same period of time as the memo.
- D. The originator of the E-mail message, or the recipient if the message is from outside the organization, is the person responsible for retaining the message.
1. E-mail messages may be retained in electronic form in the mailbox or be printed and filed along with other documents related to the topic.
 2. Messages not required to be retained, such as non-record and transitory messages, and messages that are being retained in printed form may be deleted.

VII. Document Retention Schedule

NCTTRAC follows the document retention schedule 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.

Organization Records

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|---|--------------------------|
| Annual Reports to Secretary of State/Attorney General | Permanent |
| Articles of Incorporation | Permanent |
| Board Meeting and Board Committee Minutes | Permanent |
| Board Policies/Resolutions | Permanent |
| By-laws | Permanent |
| Construction Documents | Permanent |
| Correspondence (Legal) | Permanent |
| Contracts | 7 years after expiration |
| Leases | 7 years after expiration |
| Grant Applications and Contracts | 7 years after completion |
| Donor Records and Acknowledgement Letters | 7 years |
| Correspondence (General) | 3 years |
| E-mail Correspondence | 3 years |

Federal and State Tax Records

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| IRS Application for Tax-Exempt Status (Form 1023) | Permanent |
| IRS Determination Letter | Permanent |
| IRS 990 Tax Returns | Permanent |
| State Sales Tax Exemption Letter | Permanent |

Accounting and Financial Records

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| Annual Audits and Financial Statements | Permanent |
| Budgets | Permanent |
| General Ledgers and Subsidiary Ledgers | Permanent |
| Fixed Asset Records | Permanent |
| Expense Analyses & Allocation Schedules | 7 years |
| Invoices | 7 years |
| IRS 1099's | 7 years |
| Cash Receipts | 3 years |
| Credit Card Receipts | 3 years |
| Petty Cash Vouchers | 3 years |

Bank Records

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| Check Registers | Permanent |
| Bank Deposit Slips | 7 years |
| Bank Statements and Reconciliation | 7 years |
| Electronic Fund Transfer Documents | 7 years |

Payroll and Personnel Records

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| EEO Reports | Permanent |
| Retirement and Pension Plan Documents | Permanent |
| State Unemployment Tax Records | Permanent |
| Accident Reports and Worker's Compensation Records | 11 years |
| Employee Personnel Records | 7 years after termination |
| Records Relating to Promotion, Demotion or Discharge | 7 years after termination |
| Earnings Records | 7 years |
| Employee Benefit Plan Documents | 7 years |
| Employee Time Sheets | 7 years |
| Garnishment Records | 7 years |
| Payroll Tax returns | 7 years |
| W-2 Statements | 7 years |
| Employment Applications (Non-selected) | 2 years |

Legal, Insurance and Safety Records

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|-------------------------|-----------|
| Copyright Registrations | Permanent |
| Insurance Policies | Permanent |
| Property Appraisals | Permanent |
| Real Estate Documents | Permanent |
| Stock and Bond Records | Permanent |
| Trademark Registrations | Permanent |
| OSHA Documents | 5 years |