

# THE NATOMAS BASIN CONSERVANCY DOCUMENT RETENTION AND DESTRUCTION POLICY

## Purpose

In accordance with the Sarbanes-Oxley Act, which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding, this policy provides for the systematic review, retention and destruction of documents received or created by the Natomas Basin Conservancy (Conservancy) in connection with the transaction of organization business. This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept and how records should be destroyed. The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records and to facilitate the Conservancy's operations by promoting efficiency and freeing up valuable storage space.

## Document Retention

The Conservancy follows the document retention procedures 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.

Because of its role as the "Plan Operator" of the Natomas Basin Habitat Conservation Plan (NBHCP) and the Metro Air Park Habitat Conservation Plan (MAPHCP), the Conservancy has accepted certain archive and records retention obligations that may extend the length of time that certain documents are held (see NBHCP, Section VI.F.3). In some cases, this means for the 50-year life of the NBHCP. This includes, but is not limited to, biological and species monitoring data, the Annual Implementation Report and the information and data which supports it, geographic information system data and other information which assists in determining the success of implementing the NBHCP and MAPHCP. The Conservancy will be alert to such supplemental document and records retention requirements, and consider the retention schedule stated in this policy as a minimum length of time to retain documents and records, and allow document preservation for extended periods as deemed necessary given the demands and adaptations that occur from time-to-time with the NBHCP and MAPHCP.

| <b>Conservancy Retention Schedule</b> | <b>Retention Period (minimum)</b> |
|---------------------------------------|-----------------------------------|
|---------------------------------------|-----------------------------------|

### Corporate Records

|   |                  |
|---|------------------|
| 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        |
| Fixed Asset Records                                     | Permanent        |
| IRS Application for Tax-Exempt Status (Form 1023)       | Permanent        |
| IRS Determination Letter                                | Permanent        |
| Contracts (after expiration)                            | 10 years         |
| Correspondence (general)                                | 4 years          |
| Correspondence (legal and important matters)            | Permanent        |
| <u>Licenses and Permits</u>                             | <u>Permanent</u> |

### Accounting and Corporate Tax Records

|   |           |
|---|-----------|
| Annual Audits and Financial Statements (including budget) | Permanent |
| Depreciation Schedules                                    | Permanent |
| General Ledgers   | Permanent |
| IRS 990 Tax Returns                                       | Permanent |

*Adopted by the Conservancy Board of Directors on December 3 2008.  
Conservancy Board of Directors Approved Revisions: June 1, 2011.*

### Accounting and Corporate Tax Records (cont.)

|  |           |
|--|-----------|
| NBHCP Finance Model (including budget) | Permanent |
| Business Expense Records               | 10 years  |
| IRS 1099s                              | Permanent |
| Journal Entries                        | 10 years  |
| Invoices                               | 10 years  |
| Cash Receipts                          | 10 years  |
| Credit Card Receipts                   | 10 years  |

### Bank Records

|                                    |           |
|------------------------------------|-----------|
| Check Registers                    | Permanent |
| Bank Deposit Slips                 | 10 years  |
| Bank Statements and Reconciliation | 10 years  |
| Electronic Fund Transfer Documents | Permanent |

### Payroll and Employment Tax Records

|  |                              |
|--|------------------------------|
| Payroll Registers                                      | Permanent                    |
| State Unemployment Tax Records                         | <del>4 years</del> Permanent |
| Individual Wage Earnings Records                       | <del>4</del> 10 years        |
| Garnishment Records                                    | <del>4</del> 10 years        |
| Payroll Tax returns                                    | 10 years                     |
| W-2 Statements ( <u>after due date or date filed</u> ) | <del>3</del> 10 years        |

### Employee Records

|   |   |
|---|---|
| Employment and Termination-Agreement  | <del>3 years</del> Permanent                  |
| Retirement Plan Documents   | Permanent                                     |
| Employee Performance Reviews  | 7 years after termination                     |
| Records Relating to Promotion, Demotion or Discharge                                  | 7 years after termination                     |
| Employment Applications and Resumes   | 3 years                                       |
| W-4 & I-9 Forms ( <u>after due date or date due</u> )                                 | <del>3</del> 7 years <u>after termination</u> |
| I-9 Forms- <u>3 years-if employed more than 3 years then 1 year after termination</u> |   |
| Time Cards  | <del>3</del> 7 years after termination        |

### Donor/Grant Records

|  |  |
|--|--|
| Donor Records and Acknowledgement Letters        | 10 years                               |
| Grant Applications and Contracts                 | <del>7</del> 10 years after completion |
| Restricted Endowment Funds & Donor Advised Funds | Permanent                              |

### Legal, Insurance and Safety Records

|  |                            |
|--|----------------------------|
| Appraisals                                     | Permanent                  |
| Environmental Studies                          | Permanent                  |
| Insurance Policies                             | Permanent                  |
| Real Estate Documents                          | Permanent                  |
| Stock and Bond Records                         | Permanent                  |
| Leases   | 10 years after expiration  |
| General Contracts                              | 10 years after termination |
| Employee Accident Reports and Insurance Claims | Permanent                  |
| Worker's Compensation Records                  | Permanent                  |

## **Electronic Documents and Records**

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule, will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an email message, the message should be printed in hard copy and kept in the appropriate file or moved to an "archive" computer file folder. Backup and recovery methods will be tested on a regular basis.

## **Emergency Planning**

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

## **Document Destruction**

The Conservancy's chief financial officer [1] is responsible for the ongoing process of identifying records which have met the required retention period and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding.

Document destruction will be suspended immediately upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

## **Compliance**

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against the Conservancy and its employees and possible disciplinary action against responsible individuals. The chief financial officer [2] and finance committee chair will periodically review these procedures with legal counsel or the organization's certified public accountant to ensure that they are in compliance with new or revised regulations.

Note: Accounting records prior to 2005 are held by the City of Sacramento and subject to the City of Sacramento's records policy.