

THE BRINSON FOUNDATION RECORD RETENTION POLICY

Purpose

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 discarded at the proper time. This Policy is also designed to aid employees 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.

Administration

Attached as Appendix A is a Record Retention Schedule 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 (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: make modifications to the Record Retention Schedule 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; monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this Policy.

Notes:

- 1. Items listed in the attached Schedule which are accompanied by an asterisk (*) are maintained (as of January 1, 2008, the effective date of this policy) by Insperity, a third-party service provider engaged by the Foundation, and thus are not retained on site.**
2. In the event of a governmental audit, investigation or pending litigation, record disposal shall be suspended immediately upon the direction of the Administrator. In addition, the Administrator should be informed of any situation that might give rise to legal action as soon as the situation becomes apparent and the Administrator shall thereafter have the discretion to suspend record disposal as he or she may consider appropriate. The Administrator may consult with legal counsel to determine the appropriate course of action on a case-by-case basis. Upon notice of a suspension of record disposal, all records subject to the suspension shall be preserved until the Administrator has provided written notice that such records no longer need to be preserved.
3. Certain records contain confidential and personal information. Directors, officers, employees, independent contractors, and other service providers are required to take appropriate steps to protect such information. Disposal of records containing confidential or personal information must be conducted in a manner that protects the confidential or personal nature of such information.

Applicability

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 electronic documents.

Original signed documents, documents that are the exclusive original evidence of a transaction or event and documents that cannot be easily maintained in, or reproduced from, electronic form (including, but not limited to, financial and investment records, Board minutes, licenses and permits, insurance policies and release forms, original copies of important litigation documents, grant agreements and other contracts, cancelled checks, historical documents, organizational documents, governance policies, annual reports, lease agreements and trust documents) shall be maintained in paper form. All other files may be kept in electronic form and need not be kept in duplicate paper form. Questions regarding whether documents should be maintained in paper versus electronic form generally should be resolved in favor of maintaining paper form (with duplicate electronic copies if appropriate). The Administrator will make final decisions on this issue, based on consultation with legal counsel, if appropriate. Other questions regarding the implementation of this Policy should be directed to the Administrator, who may consult with legal counsel as appropriate.

June 30, 2016

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

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 (if applicable) and Financial Statements	Permanent
Annual Audit Records, including workpapers and other documents that relate to the audit (if applicable)	7 years after completion of audit
Annual Budgets	7 years
Bank Statements and Images of Canceled Checks	7 years
Employee Expense Reports	7 years
General Ledgers	Permanent
Interim Financial Statements	7 years
Notes Receivable ledgers and schedules (if	7 years

Record Type**Retention Period**

applicable)

Investment Records

7 years after sale of investment

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**

Articles of Incorporation and Bylaws

Permanent (current version and prior official versions)

Annual Corporate Filings (e.g., Illinois Secretary of State Annual Report)

Permanent

Approved minutes of meetings and records of other official actions taken by the Board and committees of the Board

Permanent

Corporate and Governing Policies (e.g., Record Retention Policy, Conflict of Interest Policy)

Permanent (current version and prior official versions)

List of Directors and Officers (included in Corporate Filings)

Permanent (current version and prior versions)

Licenses and Permits (if applicable)

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

The following are the types of electronic documents and files covered under this portion of the Policy. Other formats may be added as necessary.

The Foundation's electronic files reside on the Brinson office's file server.

Documents on the network P-Drive (Public)

Electronic records on the file server's P-drive will be reviewed semi-annually by the staff and deleted as deemed appropriate by the Administrator or his designee, subject in all cases to the provisions of this Policy. Unless authorized by the Administrator or his designee, no employee shall independently delete documents maintained in the P-Drive.

Documents on the network U-Drive (Individual) and on desktop/laptop C-Drives (Local Drives)

1. **E-mail** - Brinson office personnel, including the Foundation staff, use Microsoft's web-based online Office 365 Exchange email system. Except as otherwise provided in this Policy, e-mails, whether from internal or external sources, generally should be deleted after six months, including all personal e-mails. E-mails relating to Foundation business that an employee deems to be important to the performance of his or her job should be filed in one or more archive files (PST files) on their PC's C-Drive. Subject to the overall retention period limits specified in Section F below, these emails may be preserved for such period of time as the employee deems them relevant. Every business day these email archive files (PST files) are automatically copied to the employee's U-Drive on the Brinson office file server.

Employees should not store or transfer Foundation-related e-mail on non-work-related computers, except as necessary or appropriate for Foundation purposes. Employees must take care not to send confidential/proprietary Foundation information to outside sources.

2. **Web page files** - Employees should conduct semi-annual reviews of all Web page files and delete all those they consider unnecessary or outdated. Web page files relating to Foundation business that an employee deems to be important to the performance of his or her job should be filed in an archive folder on the U-Drive. Web page files that should be

more properly maintained on the P-Drive should be transferred to the P-Drive when and as appropriate.

3. **Text/formatted files** - Employees should conduct semi-annual reviews of all text/formatted files (e.g., Microsoft Excel, PowerPoint and Word documents) and delete all those they consider unnecessary or outdated. Text/formatted files relating to Foundation business the employee deems vital to the performance of his or her job should be filed in an archive folder on the U-Drive. Text/formatted files that should be more properly maintained on the P-Drive should be transferred to the P-Drive when and as appropriate.
4. **Sound, picture and movie files** - Employees should conduct semi-annual reviews of all sound, picture and movie files (e.g., MP3s, JPGs, AVIs) and delete all those they consider unnecessary or outdated. Sound, picture and movie files relating to Foundation business the employee deems vital to the performance of his or her job should be filed in an archive folder on the U-Drive. Sound, picture and movie files that should be more properly maintained on the P-Drive should be transferred to the P-Drive when and as appropriate.
5. **PDF files** - Employees should conduct semi-annual reviews of all PDF files and delete all those they consider unnecessary or outdated. The length of time that a PDF file should be retained should be based upon the content of the file and the category that it is in under the various sections of this Policy. PDF files relating to Foundation business the employee deems vital to the performance of his or her job should be filed in an archive folder on the U-Drive. PDF files that should be more properly maintained on the P-Drive should be transferred to the P-Drive when and as appropriate.

The Foundation does not currently employ the means to automatically delete electronic files beyond the dates specified in this Policy. Because of this, it is important that employees adhere to the guidelines specified in this Policy.

The Foundation's electronic files reside on the Brinson office's file server. At the end of each business day the server's files are backed up to a backup device, which are in turn backed up to an online backup storage website. This backup procedure is a safeguard in the event of a file server failure. If the file server fails, once it is repaired the data can be restored to the server from either or both the backup device and online storage system. This backup procedure is considered a safeguard for the file server based record retention system of the Foundation but is not considered an official repository of Foundation records.

This Policy does not apply to electronic documents related to litigation. The Administrator will work closely with employees to ensure that the document retention guidelines are suspended for documents that have relevance to legal action should that occur. Employees who knowingly destroy documents related to civil or criminal litigation against the Foundation will be immediately suspended pending an inquiry by the Administrator. If it is found that the employee knowingly destroyed electronic documents related to litigation, the employee will be terminated and likely subject to civil and criminal penalties.

F. GRANT RECORDS

Record Type	Retention Period
Original grant application, annual evaluation questionnaire and due diligence report	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	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
Documentation that supports grantee compliance with the grant agreement conditions, such as evidence of funds raised to obtain a matching or challenge grant (if applicable)	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 the grant funds (if applicable)	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
Group Insurance Plans – Active Employees*	Until Plan is amended or terminated

Record Type	Retention Period
Inspections	3 years
Insurance Policies (including expired policies)	Permanent
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	Current version with revision history
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
Payroll Reports (gross and net)	7 years
Time Cards/Sheets	2 years
Unclaimed Wage Records	6 years

K. RETIREMENT PLAN DOCUMENTS AND SUPPORTING EMPLOYEE DATA

General Principle: Retirement Plan documents (to the extent applicable) and supporting employee data shall be kept in such a manner that the Foundation can establish at all times whether or not any retirement benefits are payable to any person and if so the amount of such benefits.

Record Type	Retention Period
Retirement Plan Records*	Permanent

L. PERSONNEL RECORDS

Record Type	Retention Period
Bonuses/Incentives/Awards	7 years
EEO- I /EEO-2 - Employer Information Reports	2 years after superseded or filing (whichever is longer)
Employee Earnings Records*	Termination + 7 years
Employee Handbooks	1 copy kept permanently
Employee Medical Records	Termination + 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 termination
Employment Contracts – Individual	7 years after termination
Employment Records – Correspondence with Employment Agencies and Advertisements for Job	3 years from date of hiring decision

Record Type	Retention Period
Openings	
Employment Records – All Non-Hired Applicants (including all applications and resumes – whether solicited or unsolicited, results of post-offer, 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
Forms I-9*	3 years after hiring, or 1 year after termination if later

M. PROPERTY RECORDS

Record Type	Retention Period
Correspondence, Assessments, Licenses	Permanent
Original 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 such 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, and property tax laws.

Record Type	Retention Period
Tax-Exemption Documents and Related Correspondence (including Form 1023 and state applications and IRS and state determinations)	Permanent
Tax or Employer Identification Number	Permanent
IRS Rulings	Permanent
Excise Tax Records	7 years
Payroll Tax Records*	7 years

Record Type	Retention Period
IRS Forms 1099	7 years
Tax Bills, Receipts, Statements	7 years
Tax Returns	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 from donors	Permanent
Wills, trusts, agreements, or other documents evidencing terms of gifts, including any gift restrictions	Permanent