



DOCUMENT RETENTION POLICY

Policy No: 102 | Title: Document Retention Policy
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Issued By: The President's Office

Legal Review		CEO	
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Policy:

Records should not be kept if they are no longer needed for the operation of the business or required by law. Unnecessary records should be eliminated from the files.

From time to time, Melwood may establish retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that warrant special consideration are identified below. While minimum retention periods are established, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention, as well as the exception for litigation-relevant documents and any other pertinent factors.

Melwood shall retain and make available for public inspection Melwood's original IRS Form 1023 – application for exempt status. This Form shall be retained permanently. Melwood's Form 990 or 990EZ – annual information return shall be kept for a minimum of seven years. These forms shall be available to the public for inspection on Melwood's website and copies shall be provided upon request.

All Melwood employees and directors are restricted from destroying documents in anticipation of litigation. Melwood expects all Board of Directors and employees to comply fully with any published records retention or destruction policies and schedules, provided that all Board of Directors and employees should note the following general exception to any stated destruction schedule: If you believe, or Melwood informs you, that Melwood records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then you must preserve those records until it is determined that the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records. Please refer also to the Business Continuity Plan for more information.

Purpose:

The purposes of this document retention policy are to ensure compliance with the Sarbanes-Oxley Act and to establish guidelines for the length of time that various documents shall be held in the files of Melwood. This helps to guard against improper disposal or destruction of documents with the intent of obstructing an investigation.

Applicability:

This policy applies to all Melwood employees, contractors, interns, volunteers and Board of Directors.

Procedures and Accountability:

The Senior Managers of the Melwood or their appointees have the overall responsibility to ensure compliance with this policy.

Minimum Retention Periods for Specific Categories.

a. **Organizational Documents.** Melwood records including the Melwood's articles of incorporation, by-laws, IRS Form 1023, Application for Exemption and May 2008 organizational records should be retained permanently. IRS regulations require that the Form 1023 be available for public inspection upon request.

b. **Tax Records.** Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of contributions made by donors, proof of deductions, business costs, accounting procedures, taxes, property deeds and other documents concerning Melwood's revenues. Tax records should be retained for at least five (5) years from the date of filing the applicable return.

c. **Employment Records/Personnel Records.** State and federal statutes require Melwood to keep certain recruitment, employment and personnel information. Melwood shall also keep personnel files that reflect performance reviews and any complaints brought against Melwood or individual employees under applicable state and federal statutes. Melwood shall also keep in the employee's personnel file all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel. Employment applications should be retained for one (1) year. Retirement and pension records should be retained for seven (7) years following the death of an employee. Other employment and personnel records should be retained for seven (7) years.

d. **Medical files,** after termination shall be kept on site for two (2) years then off-site in storage for seven (7) years, however medical records of employees who work less than one (1) year do not have to be retained beyond the period of employment. OSHA medical records related to toxic substances and harmful agents should be kept for thirty (30) years.

e. **Community Services,** maintains documents, records and reports on their programs and persons served and adheres to Health and Information Privacy (HIPPA). Persons served records are maintained for a minimum of seven (7) years, regardless of whether the individual is no longer being served. Records for each person served are maintained at the site where the individual is being served to ensure the individual's health and safety and to facilitate quality services. Inactive persons served records may be archived off-site and destroyed after seven (7) years.

f. **Contract Services (KS)** maintains copies of all its federal contracts onsite in the KS file room. This information is retained as stipulated in the contract and in perpetuity if not stipulated. Files are also maintained for persons served and adhere to HIPPA. Persons served records are maintained for a minimum of seven (7) years, regardless of whether the individual is no longer being served. Records for each person served are maintained at the site where the individual is being served to ensure the individual's health and safety and to facilitate quality services. Inactive persons served records may be archived off-site and destroyed after seven (7) years.

g. **Board and Board Committee Materials.** Meeting minutes shall be retained in perpetuity in Melwood's minute book. A clean copy of all other Board of Directors and Board of Directors Committee materials should be kept for no less than three (3) years by Melwood.

Minutes of Board meetings will be maintained, in storage, for five (5) years or longer to adhere to compliance. After this time, they will be destroyed. A listing of all actions taken by the Board will be kept on file for an undetermined length of time.

h. **Press Releases/Public Filings.** Melwood shall retain permanent copies of all press releases and publicly filed documents under the theory that Melwood should have its own copy to test the accuracy of any document a member of the public can theoretically produce against Melwood.

i. **Legal Files.** Legal counsel shall be consulted to determine the retention period of particular documents, but legal documents should generally be maintained for a period of ten (10) years.

j. **Communications:** Press Releases/Public Filings. Melwood retains permanent copies of all press releases and publicly filed documents.

k. **Marketing and Sales Documents.** Melwood should keep final copies of marketing and sales documents for the same period of time it keeps other corporate files, generally three (3) years. An exception to the three-year policy may be sales invoices, contracts, leases, licenses and other legal documentation. These documents should be kept for at least three (3) years beyond the life of the agreement.

l. **Development/Intellectual Property and Trade Secrets.** Development documents are often subject to intellectual property protection in their final form (e.g., patents and copyrights). Melwood shall keep all documents designated as containing trade secret information for at least the life of the trade secret.

m. **Contracts.** Final, execution copies of all contracts entered into by Melwood shall be retained for at least three (3) years beyond the life of the agreement, and longer in the case of publicly-filed contracts.

n. **Correspondence.** Unless correspondence falls under another category listed elsewhere in this policy, correspondence should generally be saved for two (2) years.

o. **Banking and Accounting.** Accounts payable ledgers and schedules should be kept for seven (7) years. Bank reconciliations, bank statements, deposit slips and checks (unless for important payments and purchases) should be kept for three (3) years.

Any inventories of products, materials and supplies and any invoices should be kept for seven (7) years.

p. **Insurance.** Expired insurance policies, insurance records, accident reports, claims, etc. should be kept permanently.

q. **Audit Records.** External audit reports shall be kept permanently. Internal audit reports should be kept for three (3) years.

r. **Electronic Mail.** E-mail that needs to be saved should be either:

- i. printed in hard copy and kept in the appropriate file; or
- ii. downloaded to a computer file and kept electronically or on disk as a separate file.