

## **CHESTNUT MOUNTAIN RANCH, INC.**

### **DOCUMENT RETENTION AND DESTRUCTION POLICY**

Documents are created or received by Chestnut Mountain Ranch, Inc. (“Ranch”) in many ways, for many purposes. Some of the documents are paper documents, while others are electronic documents. This policy shall govern the management and retention of all Ranch documents.

#### **Definition**

“Document” shall mean any written or printed paper furnishing information or evidence and shall include electronic files containing information or evidence. Examples of documents include, but are not limited to, correspondence, memoranda, W-4 forms, deeds, wills, stock certificates, personal notes related to business topics, electronic mail messages, electronic files stored on employees’ computers. “Document” shall not mean or include any work of art.

“Obsolete Document” shall mean any document that has been maintained beyond the time required in the document retention schedule.

“Retention Date” shall mean the date beyond which any document is obsolete and subject to being discarded or destroyed.

#### **Policy**

The Finance Department shall be responsible for identifying and appropriate designating documents in accordance with this policy and shall further take all necessary steps to comply with the document retention and destruction schedules set forth in the policy.

##### **1. Filing System Requirement**

The Finance Department shall maintain an orderly filing system, which may include both electronic and paper components, in which to store such documents. The filing system shall be reviewed annually by the Executive Director to determine whether the filing system continues to meet the needs of the Ranch.

##### **2. Document Retention and Destruction**

Documents shall be retained in accordance with the Document Retention Schedule set forth in this Policy. The appropriate personnel shall discard or destroy Obsolete Documents in the manner identified in the Schedule as soon as practicable after their applicable Retention Dates, provided, however, that an Obsolete Document may be retained if there is a legitimate, business-related need to retain the document beyond the Retention Date.

### **3. Document Hold**

Immediately upon learning of any government investigation or enforcement action, or the filing of any litigation, it shall be the responsibility of the Executive Director to place a "Document Hold" on all documents maintained in the Ranch's files and to issue notice of the Document Hold to all directors, officers, employees, volunteers, and other persons who are in possession or have control of Ranch documents. The Document Hold Notice shall direct each such person to immediately cease destruction of Ranch documents until further notice. All directors, officers, employees, volunteers and others in possession or control of Ranch documents shall comply with such notices.

The Executive Director shall promptly take all reasonable steps to identify and preserve documents that require protection in connection with any such investigation, enforcement action, or litigation. The Document Hold shall remain in place until such time as the Executive Director reasonably concludes that the Document Hold is no longer necessary. The Executive Director shall notify all personnel when the Document Hold is lifted. The Document Hold may be modified or restricted in scope if the Executive Director reasonably concludes that certain categories of documents need not be preserved. Once the Document Hold is lifted, the Document Retention Schedule shall resume effect.

**RETENTION SCHEDULE**

Record Category	Record Type	Minimum Retention Requirements
<b>I. CORPORATE/ORGANIZING DOCUMENTS</b>	<b>A. Organizational:</b> <ul style="list-style-type: none"> <li>• Bylaws (including all amendments)</li> <li>• Corporate Charter (including all amendments)</li> <li>• Corporate Seal</li> <li>• Qualifications to do Business</li> <li>• State Licenses and Registrations</li> <li>• Taxpayer Identification Number</li> </ul>	Permanent
	<b>B. Board of Directors:</b> <ul style="list-style-type: none"> <li>• Agendas</li> <li>• Audit Reports (internal)</li> <li>• Board Books</li> <li>• Board Presentations</li> <li>• Board Resolutions/Minutes</li> <li>• Committee Charters</li> <li>• Committee Resolutions/Minutes</li> <li>• Committee Reports</li> <li>• Conflict of Interest and other Board Policies</li> </ul>	Permanent
	<ul style="list-style-type: none"> <li>• Compensation Consultant Reports/ Compensation Studies Relating to Compensation of Directors, Officers and Key Employees</li> <li>• Conflict of Interest Disclosure Forms</li> <li>• Correspondence with Directors</li> <li>• Determinations Relating to Compensation of Directors, Officers and Key Employees</li> <li>• Determinations Relating to Transactions with Related Parties</li> <li>• Investment Reports/Briefings</li> </ul>	Seven Years
	<b>C. Tax-Exemption:</b> <ul style="list-style-type: none"> <li>• Application for Tax Exemption (including all related correspondence with IRS)</li> <li>• IRS Determination Letter</li> <li>• Post-Determination Letter Correspondence with IRS Regarding Tax-Exempt Status</li> <li>• State Tax Exemption (application and related materials)</li> </ul>	Permanent

Record Category	Record Type	Minimum Retention Requirements
	D. Tax and Tax Accounting; State Reporting: <ul style="list-style-type: none"> <li>• Correspondence with State Tax Authorities</li> </ul>	Permanent
	<ul style="list-style-type: none"> <li>• Federal Tax Returns (Form 990, Form 990-T, etc.)</li> <li>• State Tax Filings</li> <li>• Annual/Periodic State Reports</li> <li>• Backup Tax Workpapers and Related Documentation</li> <li>• Internal Determinations Relating to Income and Excise Tax Liability</li> </ul>	Seven Years
	E. IRS Audit-Related Materials: <ul style="list-style-type: none"> <li>• Closing Agreements</li> <li>• Revenue Agent Reports</li> </ul>	Permanent
<b>II. GENERAL RECORDS</b>	<ul style="list-style-type: none"> <li>• Annual Reports</li> </ul>	Permanent
	<ul style="list-style-type: none"> <li>• Correspondence and Letters</li> <li>• Documentation of Exempt Function Activities</li> <li>• Press Releases</li> <li>• Promotional and Sponsorship Materials</li> </ul>	Seven Years
<b>III. ADMINISTRATION</b>	A. General: <ul style="list-style-type: none"> <li>• Insurance Policies</li> </ul>	Permanent
	<ul style="list-style-type: none"> <li>• Building &amp; Equipment Leases and Related Agreements</li> </ul>	Seven Years (after termination of lease)
	B. Policies and Procedures: <ul style="list-style-type: none"> <li>• Accounting</li> <li>• Internal Controls</li> <li>• Personnel Policies</li> <li>• Other Related Materials</li> </ul>	Seven Years (from expiration or termination of policy)
	C. Procurement: <ul style="list-style-type: none"> <li>• Contracts</li> </ul>	Seven Years (from termination of contract)
	<ul style="list-style-type: none"> <li>• Purchase Orders</li> </ul>	Seven Years
	<ul style="list-style-type: none"> <li>• Monthly Premium Bills and Census</li> </ul>	Seven Years
<b>IV. FINANCE</b>	A. General Accounting <ul style="list-style-type: none"> <li>• Audited Financial Statements</li> <li>• Auditors Reports; Management Letters</li> <li>• General Ledger (one copy for each calendar year)</li> </ul>	Permanent

Record Category	Record Type	Minimum Retention Requirements
	<ul style="list-style-type: none"> <li>• Accounts Payable Ledgers and Schedules</li> <li>• Accounts Receivable Ledgers and Schedules</li> <li>• Accruals</li> <li>• Budgets; Related Reports</li> <li>• Cash Receipts and Disbursements</li> <li>• Employee Benefits Paid</li> <li>• Expense Reports</li> <li>• Fees and Commitments</li> <li>• Investment Account Statements</li> <li>• Journal Entries</li> <li>• Notes Receivable Ledgers and Schedules</li> <li>• Other Financial Reports</li> <li>• Payment Files</li> <li>• Payroll Records (including computer service company records)</li> <li>• Petty Cash Vouchers</li> <li>• Prepaid Items</li> <li>• Reconciliations</li> <li>• Time Sheets/Leave Reports</li> <li>• Travel Vouchers</li> <li>• Wire Transfers</li> <li>• Year End Adjusting Entries</li> <li>• Year End Trial Balances</li> </ul>	Seven Years
	<ul style="list-style-type: none"> <li>• Capital Assets Schedule</li> <li>• Depreciation Schedules</li> </ul>	Seven Years (after item is fully depreciated)
	<p><b>B. Banking and Related Materials</b></p> <ul style="list-style-type: none"> <li>• Bank Statements</li> <li>• Canceled Checks</li> <li>• Cash Receipts</li> <li>• Chart of Accounts</li> <li>• Check Register</li> <li>• Check Requests and Expense Reports</li> <li>• Checks and Check Stubs</li> <li>• Delegation of Authority</li> <li>• Deposit Slips</li> <li>• Interest Statements</li> </ul>	Seven Years

Record Category	Record Type	Minimum Retention Requirements
	<p>C. Tax-Related Material</p> <ul style="list-style-type: none"> <li>• Cost or other Proof of Substantiation for Tax Basis of Property</li> <li>• IRS Forms 940, 941, 945, 1096, 1099, W-2 &amp; W-3 &amp; Other Employment Tax Forms</li> </ul>	Seven Years
	<p>D. Interim Financial Information</p> <p>Interim financial information having a relatively short useful life may be generated and circulated. Such information should be retained only so long as it is actively being used. Once superseded, or once the information is incorporated into a quarterly or yearly report, most interim summaries and reports have no further value. Consequently, interim reports and similar items containing information within the categories outlined above generally do not need to be retained if they are superseded or their data is incorporated into a more comprehensive report. Please check with the Records Management Officer before disposing of such materials.</p>	Check with Records Management Officer
<b>V. LEGAL</b>	<ul style="list-style-type: none"> <li>• Property Records</li> <li>• Property Appraisals</li> <li>• Documents Related to the Acquisition and Sale of Real Property</li> <li>• Records of Efforts not to Infringe any Patent, Trademark, Copyright, or Trade Secret</li> <li>• Confidentiality and Nondisclosure Agreements</li> <li>• Copyright Registrations</li> <li>• Copyright Permissions for Use of Others' Copyrighted Material</li> </ul>	Permanent
	<ul style="list-style-type: none"> <li>• Regulatory Affairs</li> </ul>	Seven Years
	<ul style="list-style-type: none"> <li>• Contracts/Agreements (unless specifically addressed elsewhere in this policy)</li> <li>• Deeds/Titles: Certification Letters</li> <li>• Licenses</li> </ul>	Seven Years (after date of expiration)
	<ul style="list-style-type: none"> <li>• Litigation</li> </ul>	Seven Years (after final decision)

Record Category	Record Type	Minimum Retention Requirements
	• Computer Software Licenses	Seven Years (after use of software)