

Policy #: 43-16

Date: January 11, 2017

Policy and Procedure: Document Retention Policy

Purpose: A good record retention policy should minimize both the legal risks flowing from hastily drafted or misleading documents and the adverse inferences that may arise from the selective destruction of documents in the absence of such a policy. Moreover, the expense of storing obsolete documents as well as the cost of retrieving documents in response to business requests, government investigations or litigation should be reduced.

The proliferation of forms and records over the last decade has left many associations and businesses with file boxes and drawers of paper, back-up tapes, and electronic messages and other media. The retention of documents not otherwise necessary to conduct business is both expensive and inefficient. It could leave the association or member company open to potential legal challenges on grounds based on outdated and irrelevant material.

To minimize these costs and risks, the CMSNE has adopted the following record retention policy for the systematic retention and destruction of documents based on statutory or regulatory record-keeping requirements and practical business needs.

Policy: It is the intention of this policy that documents are retained only so long as they are: (1) necessary to the conduct of the Association's business; (2) required to be kept by statute or government regulation; or (3) relevant to pending or foreseeable investigations or litigation. Retention periods are based primarily on current federal record-keeping requirements and state statutes of limitation. Currently relevant documents should be filed systematically and accessibly. Documents that must be maintained permanently can be catalogued and, if possible, reduced to some secure form of electronic record for storage and easy access, when needed.

To achieve these objectives, procedures should be established so that documents are filed in the appropriate place, the number of copies is catalogued, and documents are retrieved and destroyed on pre-established "pull" dates. One individual should have overall responsibility for initial implementation and yearly review of compliance with this policy. The program itself should be reviewed every few years to ensure governmental requirements are being met, business needs are satisfied, and changes in hardware and software do not prevent access to stored electronic records.

Nonprofit organizations are also subject to criminal penalties under provisions of the Sarbanes-Oxley Act of 2002 passed in connection with the securities fraud scandals of recent years, and which prohibits corruptly tampering, altering, destroying or concealing records in an effort to prevent their availability for use in an "official proceeding."

No document, including an electronic document, shall be intentionally altered, covered-up, falsified or destroyed, nor shall any employee or agent of CMSNE be directed to do so, to prevent its use in an official proceeding. Upon becoming aware that any document may reasonably be anticipated to be useful in any actual or reasonably predictable official proceeding, management shall override any document retention policy or procedure that might result in the destruction of or inability to find any such document and obtain advice from legal counsel.

Procedure: The following schedule provides retention periods for the major categories of documents, *both paper and electronic*, for CMSNE.

| <u>Type of Record</u> | <u>Retention Period (years)</u> |
|--|--|
| <u>ACCOUNTING</u> | |
| Auditors' reports | Permanent (hereinafter "P") |
| Budgets | 7 |
| Employee payroll records (W-2, W-4) annual earnings records, etc.) | 3 |
| Banking Statements/Records..... | 7 |
| Payment documentation | 7 |

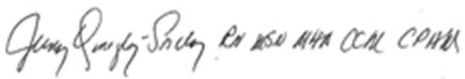
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|--|---------------|
| <u>CORPORATE</u> | |
| Annual reports | P |
| Approved Board minutes and records of all actions taken by Board without a meeting | P |
| Approved executive committee minutes and records of all actions taken by executive committee without a meeting | P |
| Approved minutes of all members' meetings and records of all actions taken by members without a meeting | P |
| Articles of Incorporation | P |
| Authorizations for expenditures | 7 |
| Bylaws | P |
| Policies..... | P |
| Contracts, generally | Expiration +7 |
| Membership names and addresses | Current |
| Notes (Internal reports, memos, etc.) | 3 |
| Written communications to members | 3 |

| | |
|------------------------------|---|
| <u>CORRESPONDENCE</u> | |
| General, routine | 3 |

| | |
|--------------------------|---|
| <u>INSURANCE</u> | |
| Accident reports..... | 7 |
| Insurance policies | P |

| | |
|----------------------------------|---|
| <u>LEGAL</u> | |
| Claims and litigation files..... | P |

CMSNE copies of all pleadings, key briefs and motions, court orders and opinions of record on dispositive motions and hearings, any attorney-client confidential privileged communications, all original witness statements and affidavits, exhibits, and settlement agreements/contracts need to be kept permanently. Mere drafts of various and routine pleadings, motions, and briefs, as well as multiple copies of business documents need not be retained.

Signed off: 
 Jenny Quigley Stickney, President 2015-2017

Date: 1/11/17

