

Date Updated and Published: February 2016**Revision History:****Review: Annually****Last Date Reviewed:** November 2019**PURPOSE**

Record retention can play an important role in an organization. Holding records for a longer period than necessary can result in unnecessary charges for storage space, whether that is physical storage or electronic storage. On the other hand, holding records for a shorter period than necessary can be costly if it is discovered at a later date, that the records are needed. Destroyed records may be costly to reconstruct or not feasible to reconstruct at all, which may also result in costs to the organization.

This Policy represents the policy of Bethel University (the "University") with respect to the retention and destruction of documents and other records, other than student academic records, both in hard copy and electronic media (which may merely be referred to as "documents" in this Policy). Purposes of the Policy include (a) retention and maintenance of documents necessary for the proper functioning of the University as well as to comply with applicable legal requirements; (b) destruction of documents which no longer need to be retained; and (c) guidance for the Board of Trustees, officers, staff, and other constituencies with respect to their responsibilities concerning document retention and destruction. Notwithstanding the foregoing, the University reserves the right to revise or revoke this Policy at any time.

This Policy attempts to define the various records present at the University, and to convey the minimum length of time that these records should be held as well as the method of record destruction, in order to maximize the benefit to the University as a whole. The policy will be effective February 1, 2016 and will continue indefinitely.

ADMINISTRATION

Responsibilities of Administration – The organization's President, by and through members of the President's cabinet, shall be the administrators ("Administrators") in charge of the administration of this Policy. The Administrators' responsibilities shall include

- a) supervising and coordinating the retention and destruction of documents pursuant to this Policy and particularly the Document Retention Schedule included below;
- b) documenting the actions taken to maintain and/or destroy organization documents and retaining such documentation; and
- c) modifying the Document Retention Schedule from time to time as necessary to comply with law and/or to include additional or revised document categories as may be appropriate to reflect University policies and procedures.

The Administrators are also authorized to periodically review this Policy and Policy compliance with legal counsel and to report to the President as to compliance. Additionally, Administrators may appoint one or more assistants to assist in carrying out the Administrators' responsibilities, with the Administrator, however, retaining ultimate responsibility for administration of this Policy.

Suspension of Document Destruction; Compliance – The organization becomes subject to a duty to preserve (or halt the destruction of) documents once litigation, an audit or a government investigation is reasonably anticipated. Further, federal law imposes criminal liability (with fines and/or imprisonment for not more than 20 years) upon whomever knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States or in relation to or contemplation of any such matter or case. Therefore, if any Administrator becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, the Administrator shall immediately order a halt to all document destruction under this Policy, communicating the order to all affected constituencies in writing. The Administrator may thereafter amend or rescind the order only after conferring with legal counsel. Failure to comply with this Policy, including, particularly, disobeying any destruction halt order, could result in possible civil or criminal sanctions. In addition, for staff, it

could lead to disciplinary action including possible termination.

Definition of a Record – A record is any document, or communication, that is related to the business in which the University is engaged. This includes, but is not limited to, all finance, payroll and employee records, contracts, property and tax records, contribution records, legal files, meeting minutes, paper and electronic correspondence, voice mail messages or any other paper or electronic documents belonging to the University.

Electronic Documents; Document Integrity – Documents in electronic format shall be maintained just as hard copy or paper documents are, in accordance with the Document Retention Schedule. Due to the fact that the integrity of electronic documents, whether with respect to the ease of alteration or deletion, or otherwise, may come into question, the Administrator shall attempt to establish standards for document integrity, including guidelines for handling electronic files, backup procedures, archiving of documents, and regular checkups of the reliability of the system; provided, that such standards shall only be implemented to the extent that they are reasonably attainable considering the resources and other priorities of the University.

Privacy – It shall be the responsibility of the Administrator, after consultation with counsel, to determine how privacy laws will apply to the organization's documents from and with respect to employees and other constituencies; to establish reasonable procedures for compliance with such privacy laws; and to allow for their audit and review on a regular basis.

Emergency Planning – Documents shall be stored in a safe and accessible manner. Documents which are necessary for the continued operation of the University in the case of an emergency shall be regularly duplicated or backed up and maintained in an off-site location. The Administrator shall develop reasonable procedures for document retention in the case of an emergency.

ORGANIZATIONS THAT INFLUENCE THE UNIVERSITY'S RECORD RETENTION POLICY

Federal and State Governments – The University must comply with record retention laws of the United States and the State of Tennessee. The laws list varying lengths of time for the retention of company records, primarily recommending a seven year retention policy. The legal requirements also state the various criminal penalties for destruction of, or alteration of, records with the intention to obstruct justice. The University's record retention policy employs retention periods of equal to or greater than those of the Federal and State laws.

IRS Form 990 – The University, which is classified as an I.R.C. §501(c)(3) not-for-profit organization, annually files IRS Form 990, the information tax return for Organizations Exempt from Income Tax, to report the income and expenses of the University. This form includes a questionnaire, the purpose of which is to provide some governance on various processes/policies of pertinent organizations by requiring responses regarding the University's current control processes. Specifically indicated on Part VI, Section B, and Line 14 of the Form 990 is the question of whether the organization has a written document retention and destruction policy.

Although not mandatory, the inclusion of this question leads the University to incorporate those policies and procedures as the IRS deems them significant enough in which to inquire.

Sarbanes-Oxley Act – The Sarbanes–Oxley Act of 2002, also known as the "Public Company Accounting Reform and Investor Protection Act", "Corporate and Auditing Accountability and Responsibility Act", or simply "Sox", is a United States law implemented to expand the responsibilities of public companies, management and public accounting firms in an effort to increase the accuracy of reported information, predominantly financial information. Although mainly directed at public companies, there are some areas covered that relate to private entities as well. The Sarbanes-Oxley Act, Section 802 which allows for criminal penalties for knowingly altering documents and the Sarbanes-Oxley Act, Section 1102 which promises criminal penalties for record tampering as an impediment to an official proceeding, are two areas that influence the University's Record Retention Policy.

DOCUMENT RETENTION SCHEDULE/STORAGE/DESTRUCTION

Periods are suggested but are not necessarily a substitute for administration's own research and determination as to appropriate periods.

PERMANENT

The following records should be kept permanently. Storage will be the responsibility of the record holder and approved by the administrator.

CORPORATE RECORDS

- Annual Reports (Secretary of State/Attorney General)
- Articles of Incorporation
- By-Laws

- Board Meeting and Board Committee
- Board Minutes
- Board Policies/Resolutions
- Charter
- Correspondence, legal and important matters (includes e-mail)
- Employer Identification (EIN) Designation
- IRS Application for Tax-exempt Status (Form 1023)
- IRS Determination Letter
- IRS Rulings
- Grant Proposals, approvals, reports
- Legal Correspondence
- Licenses and Permits
- Mission Statements
- Mortgages and Bills of Sale
- Policies and Procedures Manuals – current version with revision history
- Strategic Plans
- State Sales Tax Exemption Letter and application
- Tax exemption documents & correspondence

PROPERTY RECORDS

- Property appraisals
- Property blueprints and facility utility diagrams (hold until property sold)
- Property Insurance Policies (including Workers' Compensation)
- Insurance Claims
- Property Deeds
- Property purchase/sale agreements
- Property Tax
- Trademarks, Copyrights and Patents

FINANCIAL RECORDS

- Annual Audit Reports
- Annual Information/Tax returns (990) – Federal and State
- Canceled Checks for important purchases
- Chart of Accounts
- Fixed Assets and Depreciation Schedules
- Financial Statements – year end
- General Ledgers – year end
- Loan Documents and Notes

PAYROLL RECORDS

- Retirement and pension records
- Annual Retirement Returns (5500)

DEVELOPMENT RECORDS

- Records of Contributions/Gifts/Grants
- Documents Providing Contribution terms

THIRTY YEARS

- Worker's Compensation Files

TEN YEARS

- Personnel Records – 10 years after employment ends
- Employee Contracts – 10 years after termination
- Contracts (general) and supporting documentation – 10 years after termination
- Property Leases – 10 years after termination
- Grant Records – 10 years after the end of the grant period
- Strategic Plans (special purpose) – 10 years after expiration
- Disaster Recovery Plans – 10 years after replacement

SEVEN YEARS

- Accounts Payable
- Accounts Receivable
- Bank Statements, Reconciliations & Deposit Slips
- Canceled Checks – routine
- Employee/Business Expense Reports/Documents
- Grant Records – 7 years after end of grant period
- Occupational Safety and Health Administration (OSHA) 300/300A

All other records, not specifically mentioned, shall be kept for seven years.

THREE YEARS

- Credit Card Receipts
- Job Applications/Resumes (Applicants not Hired)

ONE YEAR

Correspondence associated with routine matters can be shredded after one year. This includes e- mails as well as printed documents.

STORAGE

Storage for records (other than Permanent Retention) is on the third floor of Campbell Hall, Bethel University, at McKenzie, Tennessee. The keys to the storage facility are held in the business office on the first floor of Campbell Hall. For ease of access, these records will be boxed and properly labeled and organized by date and content in the storage room.

DESTRUCTION

After records are held for the proper period of time, same will be destroyed by shredding on the first floor of Campbell Hall or other appropriate means.

RESPONSIBLE PARTIES

Business Office personnel, President, Vice President of Finance, Development Office personnel, Maintenance personnel, Safety Committee members, Chief Academic and Compliance Officer, Human Resources personnel

PUBLICATION

This policy is posted to the University's website.