



Community
Foundation
of the
Dan River Region

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DOCUMENT RETENTION POLICY

Board Approved June 17, 2024

This policy addresses the retention of business records and documents for The Community Foundation of the Dan River Region. This information is intended as a guideline for retention of records rather than a comprehensive list of all types of records the Foundation might have. In addition, some individual records within a given category will have more significance than others, depending on the circumstances, and may warrant retention beyond the time period indicated below.

The law requires the Foundation to maintain certain types of corporate records, usually for a specified period of time. Failure to retain those records for those minimum periods could subject the Foundation to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place the Foundation in contempt of court, or seriously disadvantage the Foundation in litigation.

The Foundation expects all employees to fully comply with the Foundation's records retention and destruction policies and schedules, and with the following general exception to any stated destruction schedule:

If an employee believes, or the Foundation informs you, that Foundation records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then the employee must preserve those records until the Executive Director determines the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records. If an employee believes that exceptions may apply or have any questions regarding the possible applicability of that exception, please contact the Executive Director.

The goals of this policy are:

(1) to ensure that all non-critical records are retained for the minimum period required by law and no longer, thereby eliminating the storage-space problem and minimizing expenses;

(2) to ensure that all critical records, including those which may substantially affect the obligations of the Community Foundation or document the Community Foundation's compliance with the law, are retained for a sufficient period of time as to be useful to that end; and

(3) to ensure that records are destroyed only pursuant to a standard policy which has been developed for business reasons.

This policy shall apply to all records regardless of whether the records are stored on paper or on computer hard drives or other electronic media. Documents maintained solely in electronic format will be scanned and retained in highly organized electronic folders on the Foundation's network in accordance with this schedule. Daily backups will be performed.

Attached to this policy is a Records Retention Schedule. This Schedule sets forth the recommended retention periods for each category of records.

The Executive Director is responsible for the overall administration and enforcement of this policy and must monitor compliance with the retention periods and is specifically charged with overseeing periodic reviews of records in accordance with the policy.

The legally required retention periods set forth on the attached schedule presumes the operation of the Foundation in the "ordinary course of business." Destruction of records relating to litigation or governmental investigations may constitute a criminal offense. The Executive Director shall be responsible for suspending destruction of any Foundation records as soon as litigation, federal government investigation, civil action, audit by a governmental agency or enforcement proceeding is suspected, reasonably anticipated, or is commenced against the Foundation, its officers, directors, or employees. The Executive Director shall notify individuals at the Foundation responsible for record retention activities to ensure that destruction of records is suspended until the litigation, investigation or proceeding is complete. Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against the Foundation and its employees and possible disciplinary action against responsible individuals (up to and including termination of employment). Each employee has an obligation to inform the Executive Director immediately of a potential or actual litigation, external audit, investigation, or similar proceeding involving the Foundation that may have an impact as well on the approved records retention schedule.

The Sarbanes-Oxley Act addresses the destruction of business records and documents and turns intentional document destruction into a process that must be carefully monitored. It is important for all personnel to know the length of time records should be retained to be in compliance.

Documents from the following list will be destroyed periodically after the time requirement has been met. Documents may only be destroyed upon approval of the Executive Director.

| Category of File | Description | Retention Policy |
|--------------------------|---|-----------------------------------|
| Corporate Records | Articles of Incorporation | Permanent |
| | Bylaws and Amendments | Permanent |
| | Board and Committee meeting agendas, minutes, and related documents | 7 years |
| | Conflict of Interest and Disclosure Statements | Annual |
| | Confidentiality Statements | 7 years |
| Finance | Bank statements with cancelled checks and deposit forms with supporting documents | 7 years |
| | General Ledger and Posting Journal information (electronic – FIMS) | 7 years |
| | Audit Reports | Permanent |
| | Contracts & Agreements | 7 years after obligation ends |
| Fund Records | Fund agreements | Permanent |
| | Gift Record and acknowledgements | 7 years |
| | Fund statements (year-end only) | 7 years |
| Insurance | Policies | Originals or current policies |
| Investments | Investment performance reports and statements | 7 years |
| | Investment manager correspondence | 7 years |
| | Investment manager contracts | 7 years after all obligations end |
| Real Estate | Deeds, mortgages, notes, and security agreements | Permanent |
| Regulatory | Tax returns (990) | 7 years |
| | IRS exemption determination & related correspondence | Permanent |
| | Legal opinion letters | 7 years |

| Category of File | Description | Retention Policy |
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| | State Registrations | 7 years |
| Communications | Annual reports | 7 years |
| Grants and Scholarships | Approved grants and scholarships – documentation supporting payment including applications, due diligence, and award letters | 7 years |
| | Declined and/or withdrawn applications | 3 years |
| Personnel | Payroll records including W-2 forms | 7 years |
| | Employee personnel files | 3 years after employment ends |
| | Resumes of candidates not hired | 1 year |
| | Employment Tax Records (941 & VA6) | 6 years |

Revision History: Adopted by Board 6.25.2012; revised and Board approved 9.2018; revised and Board approved 6.13.2022; Board revised and approved 6.17.2024.