

BRIGHT HOPE INTERNATIONAL RECORD RETENTION AND DESTRUCTION POLICY

1) Policy

This Policy represents Bright Hope International's policy regarding the retention and disposal of records and the retention and disposal of electronic documents.

2) Administration

Attached as Appendix A is a Record Retention Schedule that is approved as the initial maintenance, retention and disposal schedule for physical records and the retention and disposal of electronic documents. The Records Management Administrator (the "Administrator") is in charge of the administration of this Policy and the implementation of processes and procedures to ensure that the Record Retention Schedule is followed. The Administrator is also authorized to: make modifications to the Record Retention Schedule from time to time to ensure that it is in compliance with local, state and federal laws and includes the appropriate document and record categories for; monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this Policy.

3) Suspension of Record Disposal In Event of Litigation or Claims

In the event Bright Hope is served with any subpoena or request for documents or any employee is made aware of a governmental investigation or audit, or the commencement of any litigation against or concerning Bright Hope, such employee shall inform the Administrator and any further disposal of documents shall be suspended until such time as the Administrator, with the advice of counsel, determines otherwise. The Administrator shall take such steps as is necessary to promptly inform all staff of any suspension in the further disposal of documents.

4) Applicability

This Policy applies to all physical records generated in the course of Bright Hope's operation, including both original documents and reproductions. It also applies to the electronic documents described above.

This Policy was approved by the Bright Hope Leadership Team on October 17, 2011.

Appendix A – Record Retention Schedule

The Record Retention Schedule is organized as follows:

SECTION TOPIC

- A. Accounting and Finance
- B. Contracts
- C. Corporate Records
- D. Electronic Documents
- E. Payroll Documents
- F. Personnel Records
- G. Property Records
- H. Tax Records
- I. Contribution Records

A. ACCOUNTING AND FINANCE

<u>Record Type</u>	<u>Retention Period</u>
Accounts Payable & Accounts Receivable ledgers and schedules	5 years
Annual Audit Reports and Financial Statements	Permanent
Annual Audit Records, including work papers and other documents that relate to the audit	5 years after completion of audit
Bank Statements and Canceled Checks	5 years
Credit card numbers	Full credit card numbers should not be retained any longer than immediate business needs and merchant account agreements dictate.
Employee Expense Reports	5 years
General Ledgers	Permanent
Notes Receivable ledgers and schedules	5 years
Investment Records	5 years after sale of investment

B. CONTRACTS

<u>Record Type</u>	<u>Retention Period</u>
Contracts and Related Correspondence	5 years after expiration or termination

Comment: Some states may require longer retention period generally, or for specific types of contracts. A local attorney should be consulted.

C. CORPORATE RECORDS

<u>Record Type</u>	<u>Retention Period</u>
Corporate Records (minute books, signed minutes of the Board and all committees, corporate seals, articles of incorporation, bylaws, annual corporate reports)	Permanent

D. ELECTRONIC DOCUMENTS

1. Electronic Mail:

All e-mail—from internal or external sources—is to be deleted after 12 months by individual users.

- Staff will strive to keep all but an insignificant minority of their e-mail related to business issues.
- All Bright Hope business-related email should be downloaded to a service center or user directory on the server.
- Staff will not store or transfer Bright Hope related e-mail on non-work-related computers except as necessary or appropriate for organization purposes.
- Staff will take care not to send confidential/proprietary information to outside sources.
- Any e-mail staff deems vital to the performance of their job should be copied to the staff's H: drive folder, and printed and stored in the employee's workspace.

2. Electronic Documents: including Microsoft Office Suite and PDF files will be retained per the applicable periods stated throughout this policy

3. Web Page Files: Internet Cookies

- All workstations: Internet Explorer should be scheduled to delete Internet cookies once per month.

4. **Quick Books Financial Software:** Data inside the electronic file itself will be electronically archived after five years on an annual basis. Original data files prior to archiving will be maintained permanently.

E. PAYROLL DOCUMENTS

<u>Record Type</u>	<u>Retention Period</u>
Employee Deduction Authorizations	4 years after termination
Payroll Deductions	5 years
W-2 and W-4 Forms	5 years
Garnishments, Assignments, Attachments	5 years
Payroll Registers (gross and net)	5 years
Time Cards/Sheets	2 years
Unclaimed Wage Records	5 years

F. PERSONNEL RECORDS

<u>Record Type</u>	<u>Retention Period</u>
Commissions/Bonuses/Incentives/Awards	5 years
EEO- 1 /EEO-2 - Employer Information Reports	2 years after superseded or filing (whichever is longer)
Employee Earnings Records	5 years
Employee Handbooks	1 copy kept permanently
Employee Personnel Records (including individual attendance records, application forms, job or status change records, performance evaluations, termination papers, withholding information, garnishments, test results, training and qualification records)	5 years after separation
Employment Contracts – Individual	5 years after separation

<u>Record Type</u>	<u>Retention Period</u>
Employment Records - Correspondence with Employment Agencies and Advertisements for Job Openings	1 years from date of hiring decision
Employment Records - All Non-Hired Applicants (including all applications and resumes - whether solicited or unsolicited, results of post-offer, pre-employment physicals, results of background investigations, if any, related correspondence)	2-4 years (4 years if file contains any correspondence which might be construed as an offer)
Job Descriptions	3 years after superseded
Personnel Count Records	3 years
Forms I-9	3 years after hiring, or 1 year after separation if later

G. PROPERTY RECORDS

<u>Record Type</u>	<u>Retention Period</u>
Correspondence, Property Deeds, Assessments, Licenses, Rights of Way	Permanent
Property Insurance Policies	Permanent

H. TAX RECORDS

<u>Record Type</u>	<u>Retention Period</u>
Tax-Exemption Documents and Related Correspondence	Permanent
IRS Rulings	Permanent
Payroll Tax Records	5 years
Tax Bills, Receipts, Statements	5 years
Tax Returns - Income, Franchise, Property	Permanent
Tax Workpaper Packages - Originals	5 years
Sales/Use Tax Records	5 years
Annual Information Returns - Federal and State	Permanent
IRS or other Government Audit Records	Permanent

I. CONTRIBUTION RECORDS

<u>Record Type</u>	<u>Retention Period</u>
Records of Contributions	5 years
Documents evidencing terms, conditions or restrictions on gifts	5 years after funds are expended