

Upper Peninsula Land Conservancy

Document Retention and Destruction Policy

Part of LTA Standards 2D & 9G

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The UPLC **Document Retention and Destruction Policy** is outlined below and is at the review and discretion of the Board. Recordkeeping Procedures are also provided below to support Board policy. UPLC procedures are at the review and discretion of the Executive Director.

Document Retention and Destruction Policy

The UPLC recognizes that maintenance of consistent, complete, secure, and accurate records is essential to achievement of its conservation mission and maintenance of its public charitable status.

Corporate Records - The corporate records of the Upper Peninsula Land Conservancy (UPLC) are important assets. Corporate records include essentially all records produced by a Director or employee, whether paper or electronic. A record may be as obvious as a memorandum, an e-mail, a contract or a case study, or something not as obvious, such as a computerized desk calendar, an appointment book or an expense record. All UPLC records are the property of the UPLC, not an employee or director. As a public charity, the UPLC also assumes the responsibility of adhering to sound business practices that ensure its charitable status with the IRS.

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

Exceptions in Case of Litigation - If records are relevant to litigation, or potential litigations (i.e., a dispute that could result in litigation), then the Director or employee must preserve those records until the Conservancy's legal counsel determines the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records. If a Director or employee believes that exception may apply, or has any questions regarding the possible applicability of that exception, he/she should consult with the President or the Conservancy's legal counsel.

Principles and Procedures - This document, as adopted by the UPLC Board of Directors, embodies the functional principles of the UPLC's records policy. Additionally, the UPLC staff is empowered to develop and amend procedural documents as needed to implement the Records Policy. (See *Recordkeeping Procedures*)

Records Policy Review

From time to time, the Conservancy establishes document retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives. Several categories of documents that bear special consideration are identified below. While minimum retention periods are suggested, the retention of the documents should be determined primarily by the application of the general guidelines affecting document retention identified below (Record Retention Schedule Summary), as well as any other pertinent factors.

In general, all records should be scanned, if needed, and retained electronically. Email that needs to be saved should be either: a) printed and kept in the appropriate hard copy file; or b) downloaded to a computer file and kept electronically as a separate file. The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy.

Off-site Records Storage

It is the policy of the UPLC to store original conservation project documents, as well as original business documents and digital back-ups of the office computer, at an off-site location.

Conservation easements are perpetual. As holders of these easements, the UPLC assumes a perpetual responsibility to ensure the existence, authenticity, and integrity of the original legal documents and supporting records, such as the Baseline Documentation Reports. Original conservation easement documents must be stored in a secure storage facility that is protected from daily use and reasonably secure from fire, floods and other foreseeable hazards.

A record of the off-site storage facility(ies) and its (their) location will be kept in the UPLC office along with an inventory of documents stored there. Original documents may only be removed under extraordinary circumstances.

Original documents placed in the off-site archive facility shall include:

- Articles of Incorporation
- IRS designation
- Conservation Easements and Easement Amendments
- Baseline Reports & Photo/Video Documentation
- Annual conservation easement monitoring reports and photo/video documentation, including correspondence with land owner.
- Option Agreements, Leases, and other original documents related to interests in real property
- Gift Deeds, Warranty Deeds, Transfer Agreements, Access Easements
- Vehicle Titles
- Promissory Notes, mortgages and other security instruments
- Violation documentation

Other items to be included in the off-site archive facility:

- Annual digital back-ups of computer files
- Annual digital back-ups of the annual financial reports and audit reports
- Copies of Insurance policies and any claims filed.

Digital Document Back-up System

In addition to the off-site, archival storage of physical documents described above, the UPLC maintains a back-up system for all digital data. The purpose of this system is three-fold: 1) to create reliable, retrievable data in the case of computer malfunctions, 2) to create copies for historical purposes, since it is physically unmanageable to archive hard copies of every document, and 3) to preserve digital copies of physical documents and photographs that may deteriorate over time. Cloud storage may be used to perform the backup services provided the service is evaluated for confidentiality and safety.

Additional detail regarding digital back-up is provided in the *Recordkeeping Procedures*.

Conservation Project Records

These files will include preliminary project information, formal project files, and documented steps of project approval. Original, signed documents and contact records and a digital backup for each conservation project are to be permanently stored and protected in the offsite archive. Storage of conservation project records is detailed in the *Recordkeeping Procedures*.

Annual Monitoring Reports

At the end of each year, all original monitoring documents with digital back-ups will be taken to off-site storage. At least five (5) years of working copies of annual monitoring reports will be stored in the office.

Financial Records

As a public charity and an organization responsible for easement defense in perpetuity, the UPLC must manage its finances and assets in a responsible and accountable manner. To that end, it is the policy of the UPLC to maintain complete, accurate and credible documentation of its financial management activities.

UPLC staff will follow generally accepted not-for-profit accounting principles to ensure clear and credible financial records. Additionally, it is crucial that an internal control system is established and followed to prevent misappropriations and to inspire confidence. Also, to that end, an annual independent review will be performed according to State of Michigan requirements. This review will be available to funders, members, directors, and donors. These reviews will be kept indefinitely.

The types of financial records to be maintained include the UPLC's monthly, quarterly, and annual reports; balance sheets; budgets; reconciliations; invoices and receipts of payables; copies of checks deposited; copies of donor restrictions; an annual print-out of transactions from the accounting software; investment records; and the financial journal (kept until end of audit period).

Financial records also include tax-related documents. These include, but may not be limited to IRS Form 990, documents concerning payroll, expenses, proof of deductions, business costs, , and other documents concerning the Conservancy's revenues. Tax-related documents should be retained for at least six (6) years from the date of filing the applicable return.

Retention Schedule:

- Investment records including stewardship funding: permanently
- Copy of donor restrictions: permanently
- Annual financial reports: permanently
- Cancelled stock and bond certificates: seven (7) years
- Other financial documents that aren't needed for tax purposes, such as balance sheets, invoices and receipts of payables, copies of checks deposited, and bank reconciliations, will be kept for three (3) years.

Confidential records will be available to the Board of Directors and Executive Director. Specific records that do not contain confidential information will be made available to other staff and volunteers as needed (e.g. past event expenses). The accounting software is password protected, as are certain digital financial reports.

Employment Records/Personnel Records

State and federal statutes require the Conservancy to keep certain recruitment, employment and personnel information. The Conservancy should also keep personnel files that reflect performance reviews and any complaints brought against the Conservancy or individual employees under applicable state and federal statutes. Personnel files contain each employee's personal information and work-related information. These files are maintained according to State of Michigan laws for each employee and will be held confidential. To that end, access to personnel files is limited to the Executive Committee of the Board of Directors and the Executive Director. Employees will be given access to their individual files by requesting access from the Executive Director . The Conservancy should also keep all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel in the employee's personnel file.

Employment and personnel records should be retained for six (6) years. Employment applications will be kept for three (3) years.

Fundraising Records

As a publically supported charitable organization, the UPLC is committed to raising funds in an ethical and accountable manner. Accurate and complete recordkeeping of the fundraising program will demonstrate that the UPLC complies with charitable solicitation laws, accurately represents its claims and intended use of funds, and uses restricted funds as specified by donors. To that end, it is the policy of the UPLC to maintain accurate and complete records regarding fundraising activities.

Outreach Records

Outreach records (records of events and activities put on by UPLC) should be kept so that there is continuity in our outreach efforts from year to year. Outreach records are a resource for educating volunteers, staff, and coordinators about events so that they adhere to the UPLC vision in their communications to members and the public. Outreach records are to be maintained by UPLC staff and volunteers. These include newsletters, the annual meeting, events and presentations.

Administrative Records

In order to practice sound business procedures, it is the policy of the UPLC to carefully maintain records of its business activities, board meetings, and office administration in a secure manner.

A binder will be kept in the office with currently approved bylaws and policies. A binder will be kept in the office for Board Meeting minutes and materials. The contents of both binders will also be part of the digital archives storage.

The following documents should be retained for at least twelve (12) years:

Board Meeting minutes
Committee Meeting Minutes?
Board Policies
Press releases and publicly filed documents
Final copies of marketing and sales documents

The following documents should be retained permanently with the property file:

Meeting minutes that discuss and approve or reject land deals

Records Custodian

The vice president or other designated Board member shall be the records custodian. Destruction of business records after the prescribed holding periods expire shall be completed at the direction of the custodian. Each year, the UPLC staff will complete a file audit to ensure that conservation project documentation is complete, in order, and in the right location, and to be sure that documentary evidence, including photographic records and original documentation is not deteriorating beyond the point of usefulness.

Record Retention Schedule Summary

It is the policy of the UPLC to retain files as follows:

Permanently

- Articles of Incorporation
- IRS designation
- Conservation Easements and Easement Amendments
- Baseline Reports & Photo/Video Documentation
- Correspondence with land owners
- Annual conservation easement monitoring reports and photo/video documentation
- Fee land property inspection reports
- Option Agreements, Leases, and other original documents related to interests in real property
- Title insurance policy or evidence of investigation
- Appraisal and surveys
- Board and committee meeting minutes when a land project was discussed and approved, or rejected
- Gift Deeds, Warranty Deeds, Transfer Agreements, Access Easements
- Promissory Notes, mortgages and other security instruments
- IRS Forms 990 and 8283
- Violation and resolution documentation
- Investment records including stewardship funding
- Copy of donor restrictions
- Annual financial reports and reviews

Twelve (12) Years

- Meeting minutes and Board Policies
- Copies of all press releases and publicly filed documents
- Final copies of marketing and sales documents

Seven (7) Years

- Cancelled stock and bond certificates

Six (6) Years

- Tax-related documents
- Employment and personnel records

Three (3) Years

- Employment applications
- Financial documents not needed for tax purposes