

**Heroes for Heroes Inc.
d/b/a Sons of the Flag**

Document Retention, Location, and Disposal Policy

Heroes for Heroes Inc. d/b/a Sons of the Flag (the “Corporation”) seeks to ensure that its corporate records are secure, accessible, maintained, and destroyed in accordance with business practices that meet both the legal and practical requirements applicable to the Corporation. Corporate records include all records produced by employees and volunteers acting in the course and scope of service to the Corporation, whether paper, verbal 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 phone message.

The Corporation is required 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 you and the Corporation to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place the Corporation in contempt of court, or seriously disadvantage the Corporation in litigation.

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

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

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 Corporation or document the Corporation’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. Attached to this policy is a Records Retention Schedule. This schedule sets forth the recommended retention periods for each category of records. The categories are intended to be general and should be interpreted as including all types of records relating to that category, including correspondence, notes, reports, etc. Documents that are sent to storage should be identified by category and should indicate a planned destruction date determined in accordance with the attached schedule. The individual responsible for carrying out this policy shall use these dates to identify records ready for destruction.

The Board of Directors is responsible for the overall administration and enforcement of this policy. The Board of Directors will monitor compliance with the retention periods and is specifically charged with overseeing periodic reviews of records in accordance with the policy. To assist the Board of Directors, the President shall create an index of active and inactive records as well as maintaining a “logbook” in which all destroyed documents are recorded.

The legally-required retention periods set forth on the attached schedule presumes the operation of the Corporation in the “ordinary course of business.” Destruction of records relating to litigation or governmental investigations may constitute a criminal offense. The President shall be responsible for suspending destruction of any the Corporation records as soon as litigation, federal government investigation, civil action, audit by a governmental agency or enforcement proceeding its suspected, reasonably anticipated or is commenced against the Corporation, its officers, directors, or employees. The President shall notify individuals at the Corporation 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 and volunteers to follow this policy can result in possible civil and criminal sanctions against the Corporation 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 President immediately of a potential or actual litigation, external audit, investigation, or similar proceeding involving the Corporation 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.

This information is intended as a guideline for retention of records; it is not a comprehensive list of all types of records the Corporation 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. In each case, records should be retained for the longer of the period specified in the “Legal Purposes” and the “Business Purposes” columns.

Retention/Destruction of E-mail Documents

Corporation-related e-mail is a corporate record and must be treated as such. It is the responsibility of the sender of the email message from the Corporation and the recipient of messages from outside the Corporation to manage email messages according to the Corporation’s records retention policy. E-mail that does not meet the definition of a corporate record (i.e., personal e-mail or junk e-mail) should be deleted from any system owned by the Corporation right away.

The printed or electronic copy of the e-mail must contain the following header information:

- Who sent the message;

- Who message was sent to;
- Date and time message was sent; and
- Subject.

When e-mail is used as a transport mechanism for other record types, it is possible, based on the content, for the retention and disposition periods of the e-mail and the transported record(s) to differ. In this case, the longest retention period shall apply. An email can be deleted once the email has been stored electronically in a file on a network drive owned by the Corporation or in a cloud-based account of the Corporation. The electronic copy must be retained for the correct time period as determined by the Corporation's record retention policy.

Electronic Records

This policy applies to all electronic records. Staff should determine whether a document should be held in paper or electronic format if it exists in both. Either the paper version should be destroyed, and the electronic version maintained for the time requirements of this policy, or the electronic version deleted, and the paper version maintained for the time requirements of this policy. Duplication of records in both electronic and paper format is unnecessary and cumbersome.

When an employee or volunteer performs Corporation-related work on his or her home computer, any records or documents should be transferred at the earliest possible time to a Corporation-owned network or cloud-based account of the Corporation and deleted from the home computer. This ensures that the document will be maintained under this policy.

E-mail correspondence which falls under one of the protected types of documents addressed in this policy should be saved by saving an electronic copy of same for the period specified in the policy. Email correspondence which does not directly fall under one of these categories may be kept as long as the staff member believes it is necessary but no more than one year. For example, a request from the President to prepare a report or notification that an entry has been posted are not required to be kept. However, a response to a request for information from legal counsel or an opinion from the auditors would fall under the protected document classes and should be maintained in accordance with this policy.

Unnecessary Documents

Those documents whose continued preservation serves no useful purpose and may, in fact, expose the Corporation to storage costs and liability shall be promptly and systematically deleted and destroyed by the employee who generated them. These include, but are not limited to, personal e-mail and correspondence unrelated to Corporation matters; preliminary drafts of letters and memoranda if a final version has been retained; brochures and newsletters received by the Corporation unrelated to its activities; and any "junk mail" received by the Corporation. However, any of the above documents relevant to or discoverable in pending or potential litigation and other legal and official proceedings shall be retained.

Records Retention Schedule

Category of File	Item	Retention Period	Retention Period (Legal Purposes)	Retention Period (Business Purposes)
Corporation Records	Certificate of Formation	Permanent	Permanent	Permanent
	Bylaws	Permanent	Permanent	Permanent
	Board Meeting Agendas & Materials	7 Years	7 Years	7 Years
	Board & Committee Meeting Minutes	Permanent	Permanent	Permanent
	Board of Directors Disclosure Forms	7 Years	7 Years	7 Years
	Board Member Files (including correspondence)	Permanent	7 Years	Permanent
Finance & Administration	Accounts Payable Ledger	7 Years	7 Years	7 Years
	Accounts Receivable Ledger	7 Years	7 Years	7 Years
	Auditor Management Letters	Permanent	Permanent	Permanent
	Bank Deposits & Statements	7 Years	4 Years	7 Years
	Chart of Accounts	7 Years	7 Years	7 Years
	Check Register & Checks	7 Years	7 Years	7 Years

	Contracts & Agreements	Permanent	7 Years after all obligations end	Permanent
Correspondence general		7 Years	7 Years	7 Years
	Equipment files & maintenance records 7 years after	7 Years after disposition	7 Years after disposition	7 Years after disposition
	Expense Reports	7 Years	7 Years	7 Years
	Financial Statement (audited)	Permanent	Permanent	Permanent
	IRS Form I-9 (store sep. from personnel file)	Greater of 1 year after employment ends or 3 years	Greater of 1 year after employment ends or 3 years	Same as legal requirement
	General ledgers & Journals (incl. bank recon., etc.)	7 Years	7 Years	7 Years
Insurance Files	Policies-occurrence type	Permanent	Permanent	Permanent
	Policies-claims make type	Permanent	7 Years	Permanent
	Accident Reports	7 Years	7 Years	7 Years
	Fire inspection reports	7 Years	7 Years	7 Years
	Group Disability Records	7 Years after end of benefits	7 Years after end of benefits	7 Years after end of benefits
	Safety (OSHA) Reports	Permanent	Permanent	7 Years
	Claims (after settlement)	7 Years	7 Years	7 Years
	Investment Performance	7 Years	7 Years	7 Years

	Reports			
	Investment Manager Correspondence	7 Years	7 Years	7 Years
	Investment Manager Contracts	7 Years after all obligations end	7 Years after all obligations end	Same as legal req.
	Investment Consultant Reports	7 Years	7 Years	7 Years
	Journal Entries	7 Years	7 Years	7 Years
	Payroll Records	Permanent	3 Years	Permanent
Real Property	Deeds	Permanent	Permanent	Permanent
	Leases (expired)	7 Years after all obligations met	7 Years after all obligations met	Same as legal req.
	Mortgages & Security Agmts.	7 Yrs. After all obligations end	7 Yrs. After all obligations end	Same as legal req.
	Purchase Agmts.	7 Yrs. After disposition of property	7 Yrs. After all obligations end	Same as legal req.
Tax	Correspondence with legal counsel or accountants	7 Years after return filed	7 Years after return filed	Same as legal req.
	IRS Tax-exemption and correspondence	Permanent	Permanent	Permanent
	Tax Audit Closing Letters	Permanent	Permanent	Permanent
	Tax Returns	Permanent	Permanent	Permanent
	W/H Tax Statements	7 Years	7 Years	7 Years

Development	Executed Fund Agmts.	Permanent	Permanent	Permanent
	Fund Corres. Re: Fund Agmt.	Permanent	Permanent	Permanent
	Gift Acknowledgment	7 Years	7 Years	7 Years
	Gift Solicitations	7 Years after final distrib. of funds received	7 Years after final distrib. of funds received	Same as legal req.
	Trust Agmts.	Permanent	7 Yrs. After Termination of Trust	Permanent
	Trust Corres.	Permanent	7 Yrs. After Termination of Trust	Permanent
Communications	Annual Report	Permanent (5 copies)	7 Years	Permanent (5 copies)
	Other Publications	Permanent (2 copies)	7 Years	Permanent (2 copies)
	Photos	Permanent	7 Years	Permanent
	Press clippings	Permanent	n/a	Permanent
	Press releases	Permanent	7 Years	Permanent
Program/Grantmaking	Approved Grant-all documentation	7 years after all reports completed	7 years after all reports completed	Same as legal
	Scholarship Records	7 Years	7 Years	7 Years
	Declined Grant Applications	3 Years	3 Years	3 Years
Human Resources Benefits	Retirement Plans	Permanent	Permanent	Permanent

	Employment Contracts	7 Yrs. After disposition of property	7 Yrs. After disposition of property	Same as legal req.
	Disability & Sick Benefits	7 Yrs. After claim date	7 Yrs. After claim date	Permanent
	Employment Applications	3 Years	3 Years	3 Years
	Employee Handbooks	Permanent	Permanent	Permanent
	Employee Personnel Files	Permanent	Permanent	Permanent
	Resumes	3 Years	3 Years	3 years
	Workers Comp. Claims (after settlement)	7 Years	7 Years	7 Years
Technology	Software licenses & support	7 yrs. After all obligations end	7 yrs. After all obligations end	Same as legal

Date approved: _____