

YOUNG SCHOLARS CHARTER SCHOOL RECORDS RETENTION POLICY

I. Purpose

To establish efficient and systematic procedures for managing, retaining, and disposing of the records of the Young Scholars Charter School (the “School”) consistent with applicable legal, tax, auditing, operational and organizational requirements.

II. Definition of “Record”

The term “record” includes all written, electronic or other materials or portions thereof produced by or for the School, such as student records, memoranda, letters, reports, articles, project files, drafts, worksheets, notes or other documents, slides (and other presentation materials), computerized data and programs, computer hardcopy printouts, computer related magnetic materials (*e.g.*, computer diskettes and magnetic tapes, microfilm and microfiche) and telecommunicated materials such as facsimile and e-mail. Unless otherwise so designated, however, informal materials of transitory utility (*e.g.*, temporary notes of internal meetings, casual or personal electronic mail, facsimile transmittal cover sheets) shall not be considered “records” for purposes of this policy.

III. Statement of Retention Policy

1. The Chief Executive Officer of the School shall oversee the implementation of this policy – including any modifications to a specified retention period – and shall designate the appropriate manner in which records shall be managed, retained and disposed. Employees should contact the Chief Executive Officer (or such other person as the Chief Executive Officer may designate from time to time, the “Designee”) with any questions regarding the implementation of this policy or otherwise regarding the management, retention or disposition of School records.
2. The employee who originates or creates a record is responsible for maintaining, filing and storing such record in accordance with the procedures developed by the Chief Executive Officer. The mere retention of a document on a computer system or e-mail program does not satisfy this policy. As with other types of records, electronic documents must be archived in accordance with this policy and as articulated by the Chief Executive Officer.
3. Electronic materials, including e-mail, are to be treated in the same manner as other School materials. Employees should regularly review e-mails and delete those not covered by this policy (*i.e.*, e-mails of only transitory value or personal in nature), preferably at least monthly. E-mail and other electronic documents that are subject to this policy should be archived in hard-copy or electronic form as determined by the Chief Executive Officer.
4. It is not necessary to retain a copy of a record when the original or an official copy is maintained elsewhere.

Approved by Board of Trustees – January 18, 2008

5. Employees may discard all publications, correspondence, reports and other paper copies of records that are legally maintained on and capable of being retrieved from an electronic system and are thus maintained consistent with this document retention policy.
6. At the end of each year, each employee will be responsible for notifying the Chief Executive Officer or the Designee of those records under his or her control for which the applicable retention period expired during such year. On the attached schedule, retention is generally expressed in terms of the number of calendar years to be added to the current calendar year. For example, if a record is classified as “SEVEN YEARS,” during the year 2006, the record must be kept until December 31, 2013.
7. The School may destroy all records promptly following the expiration of the applicable retention period in accordance with procedures developed by the Chief Executive Officer, unless the Chief Executive Officer determines that a record must be retained for a longer period to comply with legal or other requirements. The Chief Executive Officer shall promptly communicate to employees the decision to suspend or extend an applicable retention period for School records.
8. Employees who become aware of any claim, threatened claim or legal proceeding against the School must promptly notify the Chief Executive Officer so that all documents with potential relevance to the claim or legal proceeding can be retained pending further determination by the Chief Executive Officer in accordance with Section 9 below.
9. Employees should consult with the Chief Executive Officer (who shall consult with counsel for the School) before disposing of records that may be needed in connection with pending litigation or other disputes in which some future proceedings can reasonably be anticipated. When litigation is anticipated, the School will take reasonable steps actively to preserve evidence and maintain any documents or information that may be discoverable in the litigation. Further, the School may receive notice of a pending investigation or subpoena which may involve certain records. Upon receipt of such notice, the Chief Executive Officer shall suspend any scheduled disposal of relevant documents and promptly notify employees of such suspension. In the event of anticipated or threatened litigation, the definition of the term “Record” may be expanded to include even transitory documents that refer or relate in some way to the subject matter of the litigation and employees may be asked to preserve such records.
10. Annually, the School shall consolidate copies of all transcripts of academic performance for all students who have graduated, terminated or withdrawn during the pervious calendar year. These transcripts of academic performance, for each year, shall be stored in accordance with this policy.
11. The School’s records should be stored on the School premises or at offsite locations designated by the School, including a qualified professional records depository within the geographic area, or other depositories which are approved by the Chief Executive Officer.

Approved by Board of Trustees – January 18, 2008

12. The Chief Executive Officer shall provide a copy of this policy to all employees of the School, promptly inform employees of any changes hereto, and conduct periodic training and/or information sessions concerning this policy, as the Chief Executive Officer deems necessary and appropriate.
13. The Chief Executive Officer shall review this policy on an annual basis to determine whether it is being successfully implemented by the School's employees and for compliance with all applicable legal, tax, audit, organizational and operational requirements.
14. The Board of Trustees shall approve all amendments or changes to this policy.

RECORD RETENTION PROCEDURES

This policy applies to all records relating to the activities and operations of the School, whether in paper or electronic format and all employees of the School are subject to the requirements hereof. The following schedule sets forth generally the retention periods for records of the School. In the event a record is not listed on this schedule, please contact the Chief Executive Officer to determine the appropriate retention period therefor.

CATEGORY

RETENTION PERIOD

I. CORPORATE/ORGANIZING DOCUMENTS

A. Organizational

Bylaws (including all amendments)	PERMANENT
Corporate Charter (including all amendments)	PERMANENT
Corporate Seal	PERMANENT
Qualifications To Do Business	PERMANENT
State Licenses and Registrations	PERMANENT
Taxpayer Identification Number	PERMANENT

B. Board of Trustees

Agendas	PERMANENT
Board Presentations	PERMANENT
Board Minutes and Resolutions	PERMANENT
Committee Charters	PERMANENT
Committee Minutes and Resolutions	PERMANENT
Committee Reports	PERMANENT
Compensation Consultant Reports/Compensation Studies relating to Compensation of Directors, Officers and Key Employees	SEVEN YEARS
Conflict of Interest Disclosure Forms	SEVEN YEARS
Conflict of Interest Policies	PERMANENT

Correspondence with Trustees	SEVEN YEARS
Determinations relating to Compensation of Directors, Officers and Key Employees	SEVEN YEARS
Determinations relating to Transactions with Related Parties	SEVEN YEARS
Investment Reports/Briefings	SEVEN YEARS

C. Tax-Exemption

Application for Tax Exemption (including all related correspondence with IRS)	PERMANENT
IRS Determination Letter	PERMANENT
Post-Determination Letter Correspondence with IRS Regarding Tax-Exempt Status	PERMANENT
State Tax Exemption (application and related materials)	PERMANENT

D. Tax and Tax Accounting; State Reporting

Federal Tax Returns (Form 990-PF, Form 990-T, etc.)	SEVEN YEARS
State Tax Filings	SEVEN YEARS
Annual/Periodic State Reports	SEVEN YEARS
Backup Tax Workpapers and Related Documentation	SEVEN YEARS
Correspondence with State Tax Authorities	PERMANENT
Internal Determinations Relating to Income and Excise Tax Liability	SEVEN YEARS

E. IRS Audit-Related Materials

Closing Agreements	PERMANENT
IDRs and Responses thereto	SEVEN YEARS

Revenue Agent Reports **PERMANENT**

II. GENERAL RECORDS

Annual Reports **PERMANENT**

Correspondence and Letters **SEVEN YEARS**

Documentation of Exempt Function Activities **SEVEN YEARS**

Promotional and Sponsorship Materials **SEVEN YEARS**

Press Releases **SEVEN YEARS**

III. ACADEMIC RECORDS

Discipline Suspension and Referral Slips **FOUR YEARS**

Roll Slips **PERMANENT**

Student Records (with academic transcripts that include student name, identifying number, program or course attended, grades for all subjects taken, date of entrance, date of graduation or withdrawal and the award received upon completion) **PERMANENT**

IV. GRANTS/DONATIONS/AWARDS

A. Grant Proposals

Grant Award Letters/Agreements

SEVEN YEARS
from date of final
grant report

Grant Proposals

SEVEN YEARS
from date of final
grant report (where
applicable)

Grant Rejection Letters

ONE YEAR
from date of rejection

B. Grant Compliance

Grant Reports

SEVEN YEARS
from date of final
grant report

C. Scholarships/Awards/Fellowships

Awarded

SEVEN YEARS
from date of award

Rejected

ONE YEAR
from date of rejection

D. Donor Records

Acknowledgement Letters

SEVEN YEARS

Copies of Donor Checks

SEVEN YEARS

Donation Files

SEVEN YEARS

Significant Correspondence from Donors

PERMANENT

V. ADMINISTRATION

A. General

Building & Equipment Leases and
Related Agreements

SEVEN YEARS
after termination of
lease

Insurance Policies

PERMANENT

B. Policies and Procedures

Accounting

SEVEN YEARS
from expiration or
termination of policy

Internal Controls

SEVEN YEARS
from expiration or
termination of policy

Personnel Policies
Including Faculty Handbook and Staff Policy Manual

SEVEN YEARS
from expiration or
termination of policy

Other Related Materials

SEVEN YEARS
from expiration or
termination of policy

C. Procurement

Contracts

SEVEN YEARS
from termination of
contract

Purchase Orders

SEVEN YEARS

VI. BENEFIT AND RETIREMENT PLANS

Employee Benefit Plan Documents – Plan Documents,
Summary Plan Descriptions, Superseded Plan
Documents and Summary Plan Descriptions,
Notices, IRS Letter of Determination, Insurance
Contracts, and Third Party Administrator Contracts
(including medical, dental, life, and disability plans)

PERMANENT

Employee Benefit Files – Benefit Information Filed by
Employee Name (including benefit statements,

PERMANENT

Approved by Board of Trustees – January 18, 2008

benefit elections, beneficiary designations, annuity contracts, benefit calculations, and compensation and service histories)

Qualified Domestic Relations Orders	SIX YEARS from the date participant or beneficiary no longer has an accrued benefit under the plan
Summary Annual Reports	SIX YEARS from the date participant/alternate payee no longer has an accrued benefit under the plan
Claims Files	SIX YEARS from the date the approved or denied claim is final
Annual Reports on Form 5500 (and all supporting documents)	SIX YEARS from the date the Form is filed
Annual Financial Statements	SIX YEARS from the end of the year to which the audit applies
Plan Testing Records – Discrimination Tests	SIX YEARS from the end of the year in which the testing records are used.
Minutes – Board of Trustees Meetings (including committee meetings, etc.)	PERMANENT

Employee Benefit Plans' Board of Trustees Reports – monthly financial statements	PERMANENT
Investment Reports (summary)	PERMANENT
Investment Records (detail)	SIX YEARS from the date of the transaction
Outside Investment Managers (contracts and investment performance reports)	PERMANENT
Tax Deduction Records (records sufficient to justify employer deductions for plan contributions)	SIX YEARS from later of date of filing or payment of tax
Payroll Records	SIX YEARS after the later of return due date or date tax is paid
Monthly Premium Bills and Census	SEVEN YEARS

VII. FINANCE

A. General Accounting

Accounts Payable Ledgers and Schedules	SEVEN YEARS
Accounts Receivable Ledgers and Schedules	SEVEN YEARS
Accruals	SEVEN YEARS
Audited Financial Statements	PERMANENT
Auditors Reports; Management Letters	PERMANENT
Budgets; Related Reports	SEVEN YEARS
Capital Assets Schedule	SEVEN YEARS after item is fully depreciated
Cash Receipts and Disbursements	SEVEN YEARS
Depreciation Schedules	SEVEN YEARS

Approved by Board of Trustees – January 18, 2008

	after item is fully depreciated
Employee Benefits Paid	SEVEN YEARS
Expense Reports	SEVEN YEARS
Fees and Commitments	SEVEN YEARS
General Ledger (one copy for each calendar year)	PERMANENT
Investment Account Statements	SEVEN YEARS
Journal Entries	SEVEN YEARS
Notes Receivable Ledgers and Schedules	SEVEN YEARS
Other Financial Reports	SEVEN YEARS
Payment Files	SEVEN YEARS
Payroll Records (incl. computer service company records)	SEVEN YEARS
Petty Cash Vouchers	SEVEN YEARS
Prepaid Items	SEVEN YEARS
Reconciliations	SEVEN YEARS
Time Sheets/Leave Reports	SEVEN YEARS
Travel Vouchers	SEVEN YEARS
Wire Transfers	SEVEN YEARS
Year End Adjusting Entries	SEVEN YEARS
Year End Trial Balances	SEVEN YEARS
<u>B. Banking and Related Materials</u>	
Bank Statements	SEVEN YEARS
Canceled Checks	SEVEN YEARS
Cash Receipts	SEVEN YEARS
Chart of Accounts	SEVEN YEARS

Check Register	SEVEN YEARS
Check Requests and Expense Reports	SEVEN YEARS
Checks and Check Stubs	SEVEN YEARS
Delegation of Authority	SEVEN YEARS
Deposit Slips	SEVEN YEARS
Interest Statements	SEVEN YEARS

C. Tax-Related Material

Cost or other Proof of Substantiation for Tax Basis of Property	SEVEN YEARS
IRS Forms 940, 941, 945, 1096, 1099, W-2 & W-3 & Other Employment Tax Forms	SEVEN YEARS

Please note: Interim financial information having a relatively short useful life may be generated and circulated. Such information should be retained only so long as it is actively being used. Once superseded, or once the information is incorporated into a quarterly or yearly report, most interim summaries and reports have no further value. Consequently, interim reports and similar items containing information within the categories outlined above generally do not need to be retained if they are superseded or their data is incorporated into a more comprehensive report. Please check with the Chief Executive Officer or designee before disposing of such materials.

VIII. PERSONNEL RECORDS

A. Personnel Files

Official Personnel Files of Active Employees Including faculty and staff employment agreements, and annual evaluations; also including security clearance information.	RETAINED during active employment
Official Personnel Files of Inactive Employees Including faculty and staff employment agreements, and annual evaluations; also including security clearance information	SIX YEARS after employment period ends except as otherwise indicated below and as applicable for benefit related records (see above).

Approved by Board of Trustees – January 18, 2008

Personnel Records (other) Personnel records relating to recruitment and hiring (including records pertaining to a decision not to hire particular individuals, job orders submitted to employment agencies for recruitment; and advertisements or notices relating to job openings); employment terminations and resignations; and other personnel actions.	SIX YEARS from the date of personnel action.
Information Relating to Charges or Complaints of Discrimination (pending or reasonably foreseeable)	RETAINED until final disposition of all legal proceedings relating thereto.
Records Used to Compile EEO-1 or Similar Reports	SIX YEARS from date of report.
Immigration and Nationality Documents (I-9 Forms)	SIX YEARS from hire date or one year after termination, whichever is later.

B. Wage and Hour (Payroll) Records

Faculty and Staff Salary Summaries	THREE YEARS
Payroll Records including: name, employee identification number, home address, date of birth, gender, occupation, time of day and day of week on which employee's work week begins, total wages for each pay period, and date of payment	THREE YEARS
For Non-Exempt Employees: records reflecting regular hourly rate of pay; amount/nature of any payment excluded from the employee's "regular rate" of pay; hours worked each workday, total hours worked each work week; straight-time earnings, overtime pay, any additions/deductions to wages; schedule of hours normally worked	THREE YEARS
For Exempt Employees: records providing detailed explanation of basis on which wages are paid to permit calculation for each pay period of the employee's total remuneration for employment, including fringe benefits	THREE YEARS

C. Medical Records

Accommodation Requests and Related Documentation	SIX YEARS
--	------------------

Approved by Board of Trustees – January 18, 2008

Generated in Compliance with the Americans With Disabilities Act	from date record was made or from date of personnel action, whichever is later. If accommodation ongoing, maintain records through period of employment and thereafter as noted above.
Family and Medical Leave Act Leave Request Forms, Medical Certifications, Correspondence and Related Documentation	SIX YEARS
Material Evidencing Compliance with Occupational Safety and Health Administration Requirements	SIX YEARS
Material Related to Claims under Workers Compensation Laws	SEVEN YEARS after completion
Material Related to Claims under State Disability Laws	SEVEN YEARS after completion

IX. LEGAL

Contracts/Agreements (Unless specifically addressed elsewhere in this policy)	SEVEN YEARS after date of expiration
Property Records	PERMANENT
Property Appraisals	PERMANENT
Documents Related to the Acquisition and Sale of Real Property	PERMANENT
Deeds/Titles: Certification Letters	SEVEN YEARS after date of expiration
Licenses	SEVEN YEARS after date of expiration
Litigation	SEVEN YEARS after final decision

Approved by Board of Trustees – January 18, 2008

Regulatory Affairs	SEVEN YEARS
Records of Efforts not to Infringe any Patent, Trademark Copyright, or Trade Secret	PERMANENT
Confidentiality and Nondisclosure Agreements	PERMANENT
Copyright Registrations	PERMANENT
Copyright Permissions for Use of Others' Copyrighted Material	PERMANENT
Computer Software Licenses	SEVEN YEARS after use of software

1-WA/2542566.1
DRAFT