

ADMINISTRATIVE POLICY (AP No. 61)

Florida Engineering Society

DOCUMENT RETENTION AND DESTRUCTION

The corporate records of Florida Engineering Society (FES) are important assets. Corporate records include essentially all records you produce as an employee or member, 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.

The law requires FES 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, as a member or employee of FES, and FES to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place FES in contempt of court, or seriously disadvantage FES in litigation.

FES expects all employees and members to fully comply with any published records retention or destruction policies and schedules, provided that all employees and members should note the following general exception to any stated destruction schedule: If you believe, or FES informs you, that FES records are relevant to litigation, or potential litigation (i.e., dispute that could result in litigation), then you must preserve those records until it has been determined 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 FES Headquarters. From time to time FES establishes retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that bear special consideration are identified below. While minimum retention periods are suggested, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention identified above, as well as any other pertinent factors.

- (a) **Tax Records.** Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of deductions, business costs, accounting procedures, and other documents concerning FES revenues. Tax records should be retained permanently.
- (b) **Employment Records/Personnel Records.** State and federal statutes require FES to keep certain recruitment, employment and personnel information. FES should also keep personnel files that reflect performance reviews and any complaints brought against FES or individual employees under applicable state and federal statutes. FES 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 years, after the employee's termination.
- (c) Board and Board Committee Materials. Meeting minutes should be retained in perpetuity in the FES minute book. A clean copy of all Board and Board Committee materials should be kept for no less than three years by FES.
 - (d) Press Releases/Public Filings. FES should retain permanent copies of all press releases and publicly filed documents under the theory that FES should have its own copy to test the accuracy of any document a member of the public can theoretically produce against FES.
 - (e) Legal Files. Legal counsel should be consulted to determine the retention period of particular documents, but legal documents should generally be maintained for a period of ten years.
 - (f) Marketing and Sales Departments. FES should keep final copies of marketing and sales documents for the same period of time it keeps other corporate files, generally three years. An exception to the three-year policy may be sales invoices, contracts, leases, licenses, and other legal documentation. These documents should be kept for at least three years beyond the life of the agreement.
 - (g) Development/Intellectual Property and Trade Secrets. Development documents are often subject to intellectual property protection in their final form (e.g., patents and copyrights). The documents detailing the development process are often also of value to FES and are protected as a trade secret where FES:
 - i. derives independent economic value from the secrecy of the information; and
 - ii. FES has taken affirmative steps to keep the information confidential.FES should keep all documents designated as containing trade secret information for at least the life of the trade secret.
 - (h) Contracts. Final, execution copies of all contracts entered into by FES should be retained. FES should retain copies of all the final contracts for at least three years beyond the life of the agreement, and permanently in the case of publicly filed contracts.
 - (i) Electronic Mail. The retention period of electronic email depends upon the subject matter of the e-mail, as covered elsewhere in this policy. A more complete table of documents is attached to this policy. Failure to comply with this document retention policy may result in civil and criminal penalties. E-mail that needs to be saved should be either:
 - i. printed in hard copy and kept in the appropriate file; or
 - ii. downloaded to a computer file and kept electronically or on disk as a separate file

FES Document Destruction Table

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.

Professional Societies and their related non-profit entities should have a written, mandatory document retention and periodic destruction policy. Policies such as this will eliminate accidental or innocent destruction. In addition, it is important for administrative personnel to know the length of time records should be retained to be in compliance.

The following table provides the minimum requirements.

This information is provided as guidance in determining your organization's document retention policy.

Type of Document Minimum Requirement

Accounts payable ledgers and schedules 7 years

Audit reports permanently

Bank Reconciliations 2 years

Bank statements 3 years

Checks (for important payments and purchases) permanently

Contracts, mortgages, notes and leases (expired) 3 years beyond life of agreement

Contracts (still in effect) permanently

Correspondence (general) 2 years

Correspondence (legal and important matters) permanently

Correspondence (with customers and vendors) 2 years

Deeds, mortgages, and bills of sale permanently

Depreciation Schedules permanently

Duplicate deposit slips 2 years

E-Mail depends on type of document

Employment applications 6 years

Expense Analyses/expense distribution schedules 7 years

Year End Financial Statements permanently

Insurance Policies (expired) 3 years

Insurance records, current accident reports, claims, policies, etc. permanently

Intellectual Property/Trade Secret Development permanently

Internal audit reports 3 years

Inventories of products, materials, and supplies 7 years

Invoices (to customers, from vendors) 7 years

Legal Files 10 years

Marketing and Sales Documents 3 years

Minute books, bylaws and charter permanently

Patents and related Papers permanently

Payroll records and summaries 7 years

Personnel files (terminated employees) 7 years

Press Releases/Public Filings permanently

Retirement and pension records permanently

Tax returns and worksheets permanently

Timesheets 7 years

Trademark registrations and copyrights permanently

Withholding tax statements 7 years

Approved by the FES BOD:

2.16.10