

ARIZONA DISABLED SCUBA DIVERS FOUNDATION

BOARD OF DIRECTORS GOVERNING POLICY

Policy Title: Document Retention

Effective Date: May 24, 2009

Purpose

The corporate records of the Arizona Disabled Scuba Divers Foundation (“ADSDF”) are important assets. Corporate records include essentially all records produced as an employee or member of the Board of Directors, whether paper or electronic. A record may include but not limited to a memorandum, an e-mail, a contract, case study, a computerized desk calendar, an appointment book or an expense record.

The law may require ADSDF to maintain certain types of corporate records, usually for a specified period of time. Failure to retain records for that minimum period could subject ADSDF to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place ADSDF in contempt of court, or seriously disadvantage ADSDF in litigation.

Procedures

ADSDF requires all employees and members of the Board to fully comply with any published records retention or destruction policies and schedules, provided that all employees and Board members should note the following general exception to any stated destruction schedule: If there is belief, or ADSDF gives notice that ADSDF records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then those records must preserve until the Board determines the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records. If there is believe that exception may apply, or questions regarding the possible applicability of that exception, a Board Officer must be contacted.

From time to time, ADSDF will alter the 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 ADSDF's revenues. Tax records should be retained for at least six years from the date of filing the applicable return.

(b) **Employment Records/Personnel Records.** State and federal statutes require ADSDF to keep certain recruitment, employment and personnel information. ADSDF should also keep personnel files that reflect performance reviews and any complaints brought against ADSDF or individual employees under applicable state and federal statutes. ADSDF 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.

(c) **Board and Board Committee Materials.** Meeting minutes should be retained in perpetuity in the ADSDF's minute book. A clean copy of all Board and Board Committee materials should be kept for no less than three years by the ADSDF.

(d) **Press Releases/Public Filings.** ADSDF should retain permanent copies of all press releases and publicly filed documents under the theory that ADSDF should have its own copy to test the accuracy of any document a member of the public can theoretically produce against that ADSDF.

(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 Documents.** ADSDF 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 ADSDF and are protected as a trade secret. ADSDF 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 ADSDF will be retained. ADSDF will retain copies of the final contracts for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.

(i) **Electronic Mail.** E-mail that needs to be saved should be either printed in hard copy and kept in the appropriate file; downloaded to a computer file and kept electronically; on disk as a separate file. The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy.

Failure to comply with this Document Retention Policy may result in punitive action against the employee or member of the Board, including suspension or termination. Questions about these regulations should be referred to an officer of the Board.