

# Texas Alliance of Groundwater Districts

## RECORD RETENTION AND DESTRUCTION POLICY

Approved: May 18, 2016

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### **SCOPE**

All employees and officers of Texas Alliance of Groundwater Districts must comply with the requirements within this Record Retention and Destruction Policy.

### **PURPOSE**

The corporate records of Texas Alliance of Groundwater Districts (hereafter "TAGD") are important assets. Corporate records include all records produced by employees and officers, whether paper or electronic.

Chapter 22 of the Texas Business Organization Code requires nonprofits to maintain certain types of corporate records for a specified period of time. Failure to retain those records for the minimum periods could subject an employee or TAGD to penalties and fines, obstruct justice, limit potential evidence in a lawsuit, or seriously disadvantage TAGD in litigation. It is a crime to alter, falsify or destroy a document in order to prevent its use in an official proceeding.

TAGD supports the maintenance of an appropriate Record Retention and Destruction Policy. This policy is intended to set guidelines and facilitate staff and officer fulfillment of the duty of care, establishes transparency and ensures compliance with a standard set of practices.

### **POLICY**

Specific documents, identified below, are subject to a retention schedule and should not be destroyed until the expiration of the schedule. TAGD's documents are kept electronically on a cloud based server.

#### **(a) Financial Records**

Financial records, including bank statements, invoices and payroll records, expense reports, proof of deductions, and other documents should be maintained for at least 7 years from the date of filing the applicable tax return. Year-end financial statements, audit reports and 990 forms should be maintained permanently and should be available for public inspection upon request.

#### **(b) Personnel Records**

TAGD should keep certain recruitment, employment, and personnel information, including employment eligibility verification, contracts and job descriptions. TAGD should also keep personnel files that reflect performance reviews and any complaints brought against TAGD or individual employees under applicable state and federal statutes. Personnel records should be maintained permanently for current employees and for 4 years after an employee's termination.

**(c) Corporate Records**

Incorporation documents, including certificate of formation, bylaws, and related documents should be kept permanently in TAGD's database. Meeting minutes and related documents should also be retained in perpetuity. Tax-exemption documents, including application for tax exemption (IRS Form 1023), IRS determination letter, and any related documents should be kept permanently and should be available for public inspection upon request.

**(d) Press Releases/Public Filings**

TAGD should retain permanent copies of all press releases and publicly filed documents in its database.

**(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 10 years.

**(f) Legal Agreements & Contracts**

Final, executed copies of legal agreements and contracts, such as mortgages and leases, should be maintained for 3 years after their expiration.

**(g) Electronic Mail**

E-mails that document any transactional material or subjects listed above should not be deleted from the server.

**Failure to comply with this Record Retention & Destruction Policy may result in disciplinary action against the employee, including suspension or termination. Questions about this policy should be referred to the Executive Director, who is in charge of administering, enforcing, and updating this policy.**

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Employee Signature

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Date

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Director Signature

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Date