

Amendment XI to Crafts for Charity Inc

Bylaws: Document Retention Policy

AMEND Article VIII, Section 10.02

Current:

"Section 1. General Guidelines. Records should not be kept if they are no longer needed or required by the law, unnecessary ones should be discarded from the files.

From time to time, Crafts for Charity Inc may establish policies for retention, destruction, or schedules for specific categories of records in order to accomplish objectives such as ensuring legal compliance, cost management, and preserving intellectual property. Certain categories of documents that should be specially considered are listed below. While minimum retention periods are established, the retention of all documents should be determined by the general guidelines pertaining to document retention, as well as the exception for litigation relevant documents and any other related factors.

Section 2. Exception for Litigation-Relevant Documents. Crafts for Charity Inc expects all officers, directors, and employees to fully comply with any published records retention or destruction policies and schedules, provided that all officers, directors, and employees should note the following general exception to any stated destruction schedule: If you believe, or Crafts for Charity Inc informs you, that corporate records are relevant to litigation, or potential litigation (i.e. a dispute that could result in litigation), then you must preserve those records until it is determined that the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records.

Section 3. Minimum Retention Periods for Specific Categories

- A. Corporate Documents. Corporate records include the corporation's Articles of Incorporation and By-Laws. Corporate records should be retained permanently.
- B. Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of contributions made by donors, accounting procedures, and other documents concerning the corporation's

revenues. Tax records should be retained for at least 7 years from the date of filing the applicable return.

- C. **Employment Records/Personnel Records.** State and federal statutes require the corporation to keep certain recruitment, employment and personnel information. The corporation should also keep personnel files that reflect performance reviews and any complaints brought against the corporation or individual employees under applicable state and federal statutes. The corporation should also keep in the employee's personnel file all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel. Employment applications should be retained for 3 years. Other employment and personnel records should be retained for 7 years.
- D. **Board and Board Committee Materials.** Meeting minutes should be retained in perpetuity in the corporation's minute book. A clean copy of all other Board and Board Committee materials should be kept for no less than 3 years by the corporation.
- E. **Press Releases/Public Filings.** The corporation should retain permanent copies of all press releases and publicly filed documents under the theory that the corporation should have its own copy to test the accuracy of any document a member of the public can theoretically produce against the corporation.
- F. **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.
- G. **Marketing and Sales Documents.** The corporation should keep final copies of marketing and sales documents for the same period of time it keeps other corporate files, generally 3 years. An exception to the 3-year policy may be sales invoices, contracts, leases, licenses, and other legal documentation. These documents should be kept for at least 3 years beyond the life of the agreement.
- H. **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 the corporation and are protected as a trade secret where the corporation derives independent economic value from the secrecy of the information and has taken affirmative steps to keep the information confidential. The corporation should keep all documents designated as containing trade secret information for at least the life of the trade secret.

- I. Contracts. Final, execution copies of all contracts entered into by the corporation should be retained. The corporation should retain copies of the final contracts for at least 3 years beyond the life of the agreement, and longer in the case of publicly filed contracts.
- J. Correspondence. Unless correspondence falls under another category listed elsewhere in this policy, correspondence should generally be saved for 2 years.
- K. Banking and Accounting. Accounts payable ledgers and schedules should be kept for 7 years. Bank reconciliations, bank statements, deposit slips and checks (unless for important payments and purchases) should be kept for 3 years. Any inventories of products, materials, and supplies and any invoices should be kept for 7 years.
- L. Insurance. Expired insurance policies, insurance records, accident reports, claims, etc. should be kept permanently.
- M. Audit Records. External audit reports should be kept permanently. Internal audit reports should be kept for 3 years.

Section 4. Electronic Mail. E-mail that needs to be saved should be either:

- A. Printed in hard copy and kept in the appropriate file; or
- B. Downloaded to a computer file and kept electronically or on disk as a separate file. The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy."

New:

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- A. **General Guidelines.** Records should not be kept if they are no longer needed or required by the law. Unnecessary ones should be discarded from the files.
 - a. From time to time, Crafts for Charity Inc may establish policies for retention, destruction, or schedules for specific categories of records in order to accomplish objectives such as ensuring legal compliance, cost management, and preserving intellectual property. Certain categories of documents that should be specially considered are listed below. While minimum retention periods are established, the retention of all documents should be determined by the general guidelines pertaining to document retention, as well as the exception for litigation-relevant documents and any other related factors.

B. **Exception for Litigation Relevant Documents.** Crafts for Charity Inc expects all officers, directors, and employees to fully comply with any published records retention or destruction policies and schedules, provided that all officers, directors, and employees should note the following general exception to any stated destruction schedule: If you believe, or Crafts for Charity Inc informs you, that corporate records are relevant to litigation, or potential litigation (i.e. a dispute that could result in litigation), then you must preserve those records until it is determined that the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records.

C. **Minimum Retention Periods for Specific Categories.**

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- b. **Tax Records.** Tax records include, but are not limited to, documents concerning payroll, expenses, proof of contributions made by donors, accounting procedures, and other documents concerning the corporation's revenues. Tax records should be retained for at least 7 years from the date of filing the applicable return.
- c. **Employment and Volunteer Records/Personnel Records.** State and federal statutes require the corporation to keep certain recruitment, employment, and personnel information. The corporation should also keep personnel files that reflect performance reviews and any complaints brought against the corporation or individual employees or volunteers under applicable state and federal statutes. The corporation should also keep all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel in the employee or volunteer's personnel file. Employment and volunteer applications should be retained for 3 years. Other employment, volunteer, and personnel records should be retained for 7 years.
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- b. Downloaded to a computer file and kept electronically or on disk as a separate file. The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy.”

Approved by the Board of Directors on the 4th of August, 2021

Approve: 3, Reject: 0, Abstain: 0, Absent: 1

A handwritten signature in black ink that reads "Victoria Tsai". The script is fluid and cursive, with a horizontal line drawn underneath the signature.

Victoria Tsai, President - Crafts for Charity Inc

A handwritten signature in black ink that reads "Lucy Wang". The script is fluid and cursive, with a horizontal line drawn underneath the signature.

Lucy Wang, Secretary - Crafts for Charity Inc