

DOCUMENT RETENTION AND DESTRUCTION POLICY

Dated: April 25, 2013

**1. Policy and Purposes**

This following is MB Sand & Surf, Inc.'s (the "organization") policy with respect to the retention and destruction of documents and other records, both in hard copy and electronic media (which may merely be referred to as "documents" in this Policy). Purposes of the Policy include (a) retention and maintenance of documents necessary for the proper functioning of the organization as well as to comply with applicable legal requirements; (b) destruction of documents which no longer need to be retained; and (c) guidance for the Board of Directors, officers, staff and other constituencies with respect to their responsibilities concerning document retention and destruction. Notwithstanding the foregoing, the organization reserves the right to revise or revoke this Policy at any time.

**2. Administration**

**2.1 Responsibilities of the Administrator.** The Club Administrator (and in the absence of a Club Administrator, the Secretary) shall be the administrator ("Administrator") in charge of the administration of this Policy. The Administrator's responsibilities shall include supervising and coordinating the retention and destruction of documents pursuant to this Policy and particularly the Document Retention Schedule included below. The Administrator shall also be responsible for documenting the actions taken to maintain and/or destroy organization documents and retaining such documentation. The Administrator may also modify the Document Retention Schedule from time to time as necessary to comply with law and/or to include additional or revised document categories as may be appropriate to reflect organizational policies and procedures. The Administrator is also authorized to periodically review this Policy and Policy compliance with legal counsel and to report to the Board of Directors as to compliance. The Administrator may also appoint one or more assistants to assist in carrying out the Administrator's responsibilities, with the Administrator, however, retaining ultimate responsibility for administration of this Policy.

**2.2 Responsibilities of Constituencies.** This Policy also relates to the responsibilities of board members, staff, volunteers and outsiders with respect to maintaining and documenting the storage and destruction of the organization's documents. The Administrator shall report to the Board of Directors (the board members acting as a body), which maintains the ultimate direction of management. The organization's staff shall be familiar with this Policy, shall act in accordance therewith, and shall assist the Administrator, as requested, in implementing it. The responsibility of volunteers with respect to this Policy shall be to produce specifically identified documents upon request of management, if the volunteer still retains such documents. In that regard, after each project in which a volunteer has been involved, or each term which the volunteer has served, it shall be the responsibility of the Administrator to confirm whatever types of documents the volunteer retained and to request any such documents which the Administrator feels will be necessary for retention by the organization (not by the volunteer). Outsiders may include vendors or other service providers. Depending upon the sensitivity of the documents involved with the particular outsider relationship, the organization, through the Administrator, shall share this Policy with the outsider, requesting compliance. In particular instances, the Administrator may require that the contract with the outsider specify the particular responsibilities of the outsider with respect to this Policy.

**3. Suspension of Document Destruction and Compliance**

**3.1 Destruction.** Subject to document retention schedule set forth below, documents that no longer need to be retained, should be disposed of. Any documents containing personal information, including but not limited to full name, email address, mailing address, telephone numbers, date of birth, etc. must be shredded. Such documents include scholarship applications and related documentation, CalSouth registration/medical release forms, copies of birth certificates of passports, expired player cards, activity registration forms, etc.

**3.2 Occurrence of Litigation.** The organization becomes subject to a duty to preserve (or halt the destruction of) documents once litigation, an audit or a government investigation is reasonably

anticipated. Further, federal law imposes criminal liability (with fines and/or imprisonment for not more than 20 years) upon whomever “knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in any record, document, or tangible object with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of any department or agency of the United States ... or in relation to or contemplation of any such matter or case.” Therefore, if the Administrator becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, the Administrator shall immediately order a halt to all document destruction under this Policy, communicating the order to all affected constituencies in writing. The Administrator may thereafter amend or rescind the order only after conferring with legal counsel. If any board member or staff member becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, with respect to the organization, and they are not sure whether the Administrator is aware of it, they shall make the Administrator aware of it. Failure to comply with this Policy, including, particularly, disobeying any destruction halt order, could result in possible civil or criminal sanctions. In addition, for staff, it could lead to disciplinary action including possible termination.

**4. Electronic Documents and Document Integrity**

Documents in electronic format shall be maintained just as hard copy or paper documents are, in accordance with the Document Retention Schedule. Due to the fact that the integrity of electronic documents, whether with respect to the ease of alteration or deletion, or otherwise, may come into question, the Administrator shall attempt to establish standards for document integrity, including guidelines for handling electronic files, backup procedures, archiving of documents, and regular checkups of the reliability of the system; provided, that such standards shall only be implemented to the extent that they are reasonably attainable considering the resources and other priorities of the organization.

**5. Emergency Planning**

Documents shall be stored in a safe and accessible manner. Documents which are necessary for the continued operation of the organization in the case of an emergency shall be regularly duplicated or backed up. The Administrator shall develop reasonable procedures for document retention in the case of an emergency.

**6. Document Retention Schedule**

The attached chart indicates the retention schedule for club documents.

**MB Sand & Surf, Inc.**

DOCUMENT TYPE PERIOD	RETENTION
Accounts Payable	7 years
Accounts Receivable	7 years
Annual Financial Statements & Audit Reports	permanent
Automobile logs	7 years
Bank Statements	7 years
Bank Reconciliations & Deposit Slips	3 years
Canceled Checks - routine	7 years
Canceled Checks - special, such as loan repayment	permanent
Check Register	1 year
Credit Card Receipts	3 years
Employee/Business Expense Reports/Documents	7 years
General Ledger	permanent
Interim Financial Statements	7 years
Invoices to customers and from vendors	7 years

Petty cash vouchers	3 years
Purchase orders	7 years
Articles of Incorporation and Amendments	permanent
Bylaws and Amendments	permanent
Minute Books, including Board & Committee Minutes	permanent
Annual Reports to Attorney General & Secretary of State	permanent
Other Corporate Filings	permanent
IRS Form W-9 Request for Taxpayer Identification Number and Certification	7 years
IRS Form 1096 Annual Summary and Transmittal of U.S. Information Returns	7-10 years
IRS Form 1099-MISC Income	7-10 years
IRS Exemption Application (Form 1023 or 1024)	permanent
IRS Exemption Determination Letter	permanent
State Exemption Application (if applicable)	permanent
State Exemption Determination Letter (if applicable)	permanent
Licenses and Permits	permanent
Employer Identification (EIN) Designation	permanent
Property, D&O, Workers' Compensation and General Liability Insurance Policies	permanent
Insurance Claims Records	permanent
Tax exemption documents & correspondence	permanent
IRS Rulings	permanent
Annual information returns - federal & state	permanent
Tax returns	Permanent
Scholarship applications and related documentation	1 year
Conflict of Interest Statements	3 years
CalSouth Registration/Medical Release Forms - Players & Administrators	until expiration (typically August 1 <sup>st</sup> )
Copies of birth certificates and passports	when player leaves the club (provided parents have not requested return)
Player Cards	until expiration (typically August 1 <sup>st</sup> )