

SACRAMENTO RIVER SETTLEMENT CONTRACTORS RECORD RETENTION AND DESTRUCTION POLICY

I. PURPOSE

Sacramento River Settlement Contractors, a California mutual benefit corporation (“**Corporation**”), recognizes the need to retain certain business records for specified periods of time, or permanently, in order to comply with applicable federal and state laws and regulations. At the same time, the Corporation acknowledges that it is good business practice to periodically dispose of unnecessary and outdated records in order to reduce the cost and administrative burden of storing historical business records.

The purpose of this Record Retention and Destruction Policy (“**Policy**”) is to establish guidelines and a schedule for the Corporation to follow when making decisions about retaining and destroying records, including when routine destruction should be suspended.

II. PROCEDURES

A. Record Retention Schedule. The Corporation shall implement the Record Retention Schedule attached hereto as **Exhibit A**.

B. Routine Destruction of Records. The Corporation shall arrange to routinely destroy records, including electronic records, as to which the retention period has run. Records that exist in both paper and electronic form should be destroyed in all forms.

C. Disposal of Drafts and Duplicates. For records existing in paper form, retention periods apply to the original paper copy only. Drafts (*i.e.*, initial or preliminary versions) may be disposed of at any time. Duplicate copies and electronic copies may be disposed of at any time at the discretion of the Corporation’s management, unless the original has been lost.

D. Email, Voicemail and Other Electronic Records.

1. As a general rule, the Corporation shall not retain email past its immediate usefulness. However, the Corporation shall retain any email that pertains to “important matters.” The phrase “important matters” refers to content of the email that traditionally (*i.e.*, before the advent of email) would have been reduced to writing and delivered in paper form. “Important matters” includes, but is not limited to, restrictions on donations, corporate actions, employment matters, and legal/liability matters. Any such email should be printed and stored in paper form in the appropriate file.

2. Voicemail that needs to be retained should be transcribed, printed, and stored in paper form in the appropriate file.

3. Other electronic records that need to be retained should be converted to written form if size permits; otherwise safely backed up and electronically stored.

4. The retention period for email, voicemail, and other electronic records depends upon the subject matter of the record, according to the attached Record Retention Schedule.

5. Notwithstanding anything in this Part II.D to the contrary, to ensure that electronic records stored on the Corporation's network can be retrieved in case of a system failure or other event causing loss of data, the Corporation shall back up its electronic network consistent with this Policy.

E. Confidentiality. The Corporation is committed to ensuring the security and confidentiality of all records within its custody or control containing personal, confidential, or proprietary information. When such records are due to be destroyed under this Policy, they will be shredded, erased, or otherwise modified or destroyed so as to make them unreadable or undecipherable through any means.

III. SUSPENSION OF ROUTINE RECORD DESTRUCTION

A. Suspension Due to Government Proceeding or Investigation. Notwithstanding anything in this Policy to the contrary, routine destruction under this Policy shall immediately cease with respect to any record, regardless of form (*i.e.*, paper or electronic), that is identified as potentially subject to a known or reasonably anticipated official proceeding or investigation by any government agency. The Corporation recognizes that failure to comply with this requirement may subject the Corporation and its employees to criminal liability. It is a crime to alter, cover up, falsify, or destroy any record to prevent its use in an official proceeding or investigation.

B. Suspension Due to Private Party Litigation. Notwithstanding anything in this Policy to the contrary, routine destruction under this Policy shall immediately cease with respect to any record, regardless of form (*i.e.*, paper or electronic), that is identified as potentially relevant to a controversy which the Corporation knows or reasonably anticipates will result in litigation.

C. Suspension of Back-Up Media Recycling. Suspension of routine record destruction under this Part III shall include suspension of routine recycling of back-up media pursuant to Part II.D.5.

IV. COMPLIANCE

A. Documentation of Implementation. The implementation of and compliance with this Policy shall be reported to the Board of Directors on an annual basis and memorialized in the minutes of the Board meeting. This Policy shall be reviewed and revised periodically.

B. Responsible Person. The Board Chairman shall be responsible for implementation of and compliance with this Policy.

EXHIBIT A
RECORD RETENTION SCHEDULE

Type of Record	Retention Period
Accident reports and claims	7 years
Accounts payable ledgers and schedules	7 years
Accounts receivable ledgers	7 years
Articles of Incorporation (including amendments)	Permanently
Audit reports	Permanently
Bank deposit records	7 years
Bank reconciliations	2 years
Bank statements	3 years
Bylaws (including amendments)	Permanently
Checks	
<i>Cancelled</i>	7 years
<i>For important payments and purchases</i>	Permanently
Contracts	
<i>Expired</i>	7 years after expiration
<i>Still in effect</i>	Permanently
Correspondence	
<i>General</i>	3 years
<i>Legal and other important matters</i>	Permanently
Deeds, mortgages, and bills of sale	Permanently
Depreciation schedules	Permanently
Donor records	7 years after last donation
Donor correspondence regarding restricted donations	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Employee handbook	Permanently
Expense reimbursement reports and backup	3 years
Financial statements at year end	Permanently
Insurance policies and records	
<i>Expired</i>	7 years after expiration
<i>Still in effect</i>	Permanently
Internal audit reports	3 years
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Leases	7 years after expiration
Legal opinions	Permanently
Minutes of board and committee meetings, agendas, and related documents	Permanently
Patents and related papers	Permanently
Payroll records and summaries; timesheets	7 years
Personnel files (terminated employees)	7 years
Promissory notes	7 years after expiration
Retirement and pension records	Permanently
Tax exemption applications and determination letters	Permanently
Tax returns and worksheets (including payroll tax)	Permanently
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years