

Youth Homes, Inc.

RECORDS MANAGEMENT POLICY

Adopted by the Board of Directors on March 26, 2014

Youth Homes, Inc. (“Youth Homes”) hereby adopts a records retention and destruction policy (“Records Policy”) which encompasses the following principles:

1. To preserve for specific periods certain records necessary to carry out its mission and applicable legal and contractual requirements
2. To retain other records for the period of their immediate, current use
3. To permit orderly destruction of records no longer needed by Youth Homes.

Definition; Records Ownership. For this Records Policy, “records” includes paper, electronic files including e-mail, and voicemail records, regardless of where the records are stored, including network servers, desktop or laptop computers, portable electronic devices and electronic storage equipment, and other devices with messaging capabilities. All Youth Homes records are the property of Youth Homes, not its directors, officers, employees or staff members.

Procedures. This Records Policy recognizes that different types of records require differing retention and destruction periods and procedures, and may change over time. Accordingly, Records Policy Procedures have been developed for specific types of records, and are detailed in the attached Exhibit A.

Review. The Executive Director and a committee or subcommittee of the Board will review this Records Policy every five (5) years to monitor compliance and to ensure that the Records Policy continues to serve the best interests of the organization and applicable requirements. The Executive Director or his/her designee will review the Records Policy Procedures every three (3) years to monitor compliance and to ascertain if the Records Policy Procedures continue to implement the Records Policy in a responsible manner.

Amendment. The Board of Directors hereby authorizes the Executive Director to develop and amend the Records Policy Procedures as needed to implement the Records Policy.

Limits on Destruction. All records destruction authorized under this Records Policy will cease immediately if Youth Homes knows or suspects that an investigation by a court or government agency having jurisdiction will require Youth Homes’ records to be produced. In such event, routine document destruction will not be resumed without the express approval of the Executive Director and, if the Executive Director deems it desirable or necessary, approval of legal counsel.

Exhibit A - RECORDS POLICY PROCEDURES

This Exhibit A contains procedures affecting the following specific types of records:

- 1. Financial Records**
- 2. Personnel Records**
- 3. Administrative Records**
- 4. Fundraising Records**
- 5. Outreach Records**
- 6. Program and Client Records**

In addition, the Records Policy Procedures include a Record Retention and Destruction Schedule for each type of record (including original and working file contents) in a chart at the end of this Exhibit A (Figure A-1). This Schedule is maintained as a procedural document and can be modified as needed by the Executive Director or his/her designee.

Subject to the cessation of destruction under circumstances described in the Records Policy, the Executive Director or designee is responsible for destroying financial, personnel, administrative, fundraising, outreach and other business records after expiration of the holding periods prescribed in the Schedule. Any expired records shall be burned or shredded to ensure the privacy of records.

Records Storage and Backup

In addition to the offsite archive storage of physical documents, Youth Homes maintains a back-up system for all electronic or digital data created on its computers and certain other records as indicated by an asterisk (*) in Figure A-1. The purpose of this system is to:

1. create reliable, retrievable data in the case of computer malfunctions;
2. create copies for historical purposes, since it is physically unmanageable to archive every document; and
3. preserve digital copies of physical documents and photographs that may deteriorate over time.

Back-up Frequency

- Data is backed up nightly to a tape-back-up, external hard drive or cloud-based back up of the servers and is stored off-site.

Section 1 – Administrative Records

Youth Homes maintains records of its board meetings, corporate and day-to-day business activities, and office administration, in a careful and secure manner. Further, the organization diligently protects and secures all digital records and the organization's computer system through use of current and complete security tools and equipment.

Section 2 – Financial Records

Youth Homes strives to manage its finances and assets in a responsible and accountable manner, and maintains complete, accurate and credible documentation of its financial management activities in accordance with Generally Accepted Accounting Principles, and applicable laws and regulations.

The Fiscal Manager, under the supervision of the Executive Director, maintains the following types of financial records: Youth Homes' accounting software; monthly, quarterly, and annual reports; balance sheets; budgets; reconciliations and cancelled checks; invoices and receipts of payables; copies of checks deposited; copies of donor restrictions.

Due to the confidential nature of certain financial records such as payroll, access to financial records is generally limited to the Executive Director, Administrator, and Fiscal Manager. The accounting software is password protected, as are certain digital financial reports. Other financial records, such as past event expenses, that do not contain confidential information will be made available to staff and volunteers as needed.

Section 3 – Personnel Records

As outlined in the Youth Homes' Employee Handbook, confidential personnel files contain each employee's personal and work-related information. Access to personnel files is limited to the Executive Director, Director of Human Resources, and the Administrator, except:

- Employees may be given access to their own individual files; however some password-protected documents may be restricted to the Executive Director and the Fiscal Manager.
- Physical personnel files/records will be stored in the office of the Administrator in a locking file cabinet or in a locked cabinet in the locked storage room.
- The digital copies of confidential personnel and payroll records are available only to the Executive Director, Director of Human Resources and Administrator under password protection.
- In addition, under special circumstances when a valid reason has been demonstrated, access to personnel files may be granted to members of the Youth Homes Board of Directors following the process and restrictions outlined in the Youth Homes Bylaws.

Section 4 – Fundraising Records

Youth Homes maintains accurate and complete records regarding fundraising activities. As a publicly supported charitable organization, Youth Homes is committed to raising funds in an ethical and accountable manner. The fundraising program records are intended to demonstrate that Youth Homes complies with charitable solicitation laws, accurately represents its claims and intended use of funds, and uses restricted funds as specified by donors.

Section 5 – Outreach Records

Outreach records are kept so that there is continuity in outreach efforts to publicize Youth Homes' mission and activities from year to year. Outreach records are maintained by staff and volunteers. Outreach records are a resource for educating volunteers, staff and coordinators of events so that all communications and events operate in a manner consistent with the organization mission.

Section 6 – Program and Client Records

Youth Homes maintains records related to the clients served by the organization's programs. These consist of Mental Health Charts and Residential Client Records.

Figure A-1. RECORD RETENTION AND DESTRUCTION SCHEDULE

Type of Document	Document Description	Local Retention	Offsite Retention
ADMINISTRATIVE RECORDS	<ul style="list-style-type: none"> • Youth Homes Articles of Incorporation • IRS designation for Youth Homes • Board of Directors meeting minutes (“Minute Book”) • Bylaws • Board of Directors reports • Correspondence, general • Correspondence (legal and important matters) 	<ul style="list-style-type: none"> • Permanent • Permanent • Permanent • Permanent • 4 years • 4 years • Permanent 	
FINANCIAL RECORDS	<ul style="list-style-type: none"> • Accident reports and claims for settled cases • Account reconciliations • Accounts payable ledgers and schedules • Accounts receivable ledgers and schedules • Annual Audited Financial Statements & Reports • Automobile titles • Bank statements • Cash books • Canceled checks, A • Canceled checks, B (canceled for important payments, e.g., taxes, purchase of property, special contracts – file with papers pertaining to the transaction) • Contracts & Leases (expired) 	<ul style="list-style-type: none"> • 3 years • 3 years • 3 years • 3 years • 10 years • 3 years • 3 years • 3 years • 3 years • 10 years • 3 years 	<ul style="list-style-type: none"> • 7 years • 7 years • 7 years • 7 years • Permanent • 7 years • 7 years • 7 years • 7 years • Permanent • 7 years

<p>FINANCIAL RECORDS, continued</p>	<ul style="list-style-type: none"> • Contracts & leases in effect • Depreciation schedules • Duplicate deposit slips • Expense analyses and expense distribution schedules • General ledgers and end-of-year financial statements • Insurance policies (expired) • Insurance records, current accident reports, claims, etc. • Internal reports • Inventories of products, materials supplies • Invoices to customers • Invoices from vendors • Journals • Payroll records and summaries, including payments to pensioners • Promissory notes, mortgages and other security instruments • Purchase orders • Sales records • Subsidiary ledgers • Tax returns and worksheets, revenue agents' reports, and other documents relating to determination of tax liability • Time sheets and cards 	<ul style="list-style-type: none"> • Permanent • 3 years • 3 years • 3 years • 10 years • 5 years • 5 years • 3 years • 3 years • 3 years • 3 years • 3 years • Permanent • 3 years • 3 years • 3 years • Permanent • 3 years 	<ul style="list-style-type: none"> • 7 years • 7 years • 7 years • Permanent • Permanent • Permanent • 7 years • 7 years • 7 years • 7 years • 7 years • 7 years • 7 years • 7 years • 7 years • 7 years • 7 years • 7 years
<p>PERSONNEL RECORDS</p>	<ul style="list-style-type: none"> • Employee personnel records (after termination) • Employment applications • Payroll records and summaries 	<ul style="list-style-type: none"> • 7 years • 3 years • 10 years 	

FUNDRAISING RECORDS	<ul style="list-style-type: none"> • Fundraising/donor database records 	<ul style="list-style-type: none"> • 10 years 	
OUTREACH RECORDS	<ul style="list-style-type: none"> • Newsletters, brochures 	<ul style="list-style-type: none"> • 10 years 	
PROGRAM CLIENT RECORDS	<ul style="list-style-type: none"> • Client mental health charts • Residential client records 	<ul style="list-style-type: none"> • 2 years • 2 years 	<ul style="list-style-type: none"> • 5 years • 5 years