
RECORD RETENTION AND DESTRUCTION POLICY

1. OVERVIEW

This Policy represents the Perimatics's policy regarding the retention and disposal of records and the retention and disposal of electronic documents.

2. PURPOSE

The purpose of this Policy is to ensure that necessary records and documents of the Perimatics, Inc. are adequately protected and maintained and to ensure that records that are no longer needed by Perimatics, Inc or are of no value are discarded at the proper time. This Policy is also for the purpose of aiding employees of Perimatics in understanding their obligations in retaining electronic documents - including e-mail, Web files, text files, sound and movie files, PDF documents, and all Microsoft Office or other formatted files.

3. SCOPE

This policy applies to all Perimatics staff create, deploy, or support application and system software. Perimatics' employees must agree to the terms and conditions set forth in this policy in order to be able to connect their devices to the company network.

4. POLICY

Attached as Appendix A is a Record Retention Schedule that is approved as the initial maintenance, retention and disposal schedule for physical records of Perimatics and the retention and disposal schedule of electronic documents. The Finance Officer (the "Administrator") is the officer in charge of the administration of this Policy and the implementation of processes and procedures to ensure that the Record Retention Schedule is followed. The Administrator is also authorized to: make modifications to the Record Retention Schedule from time to time to ensure that it is in compliance with local, state and federal laws and includes the appropriate document and record categories for Perimatics, Inc.; monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this Policy.

5. SUSPENSION OF RECORD DISPOSAL IN THE EVENT OF LITIGATION OR CLAIMS

In the event Perimatics is served with any subpoena or request for documents or any employee becomes aware of a governmental investigation or audit concerning Perimatics,

Inc. or the commencement of any litigation against or concerning Perimatics, such employee shall inform the Administrator and any further disposal of documents shall be suspended until such time as the Administrator, with the advice of counsel, determines otherwise. The Administrator shall take such steps as are necessary to promptly inform all staff of any suspension in the further disposal of documents.

6. APPLICABILITY

This Policy applies to all physical records generated in the course of Perimatics's operation, including both original documents and reproductions. It also applies to the electronic documents described above.

7. ENFORCEMENT

Staff members found in policy violation may be subject to disciplinary action, up to and including termination.

8. POLICY VERSION HISTORY

Version	Date	Description	Approved By
1.0	03/15/2018	Initial Policy Drafted	COO

APPENDIX A - RECORD RETENTION SCHEDULE

The Record Retention Schedule is organized as follows:

SECTION TOPIC

- A. Accounting and Finance
- B. Contracts and Memorandums of Understanding
- C. Corporate Records
- D. Correspondence and Internal Memoranda
- E. Electronic Documents
- F. Legal Files and Papers
- G. Miscellaneous
- H. Personnel Records
- I. Property Records
- J. Tax Records
- K. Contribution Records

A. ACCOUNTING AND FINANCE

Record Type	Retention Period
Accounts Payable ledgers and schedules	7 years
Accounts Receivable ledgers and schedules	7 years
Annual Audit Reports and Financial Statements	Permanent
Annual Audit Records, including work papers and other documents that relate to the audit	7 years after completion of audit
Annual Plans and Budgets	2 years
Bank Statements and Canceled Checks	7 years
Employee Expense Reports	7 years
General Ledgers	Permanent
Interim Financial Statements	7 years
Notes Receivable ledgers and schedules	7 years
Investment Records	7 years after sale of investment

Record Type

Internal Audit work papers and findings

Retention Period

7 years after completion

B. CONTRACTS

Record Type

Contracts and Related Correspondence (including any proposal that resulted in the contract and all other supportive documentation)

Retention Period

7 years after expiration or termination

C. CORPORATE RECORDS

Record Type

Corporate Records (minute books, signed minutes of the Board and all committees, corporate seals, articles of incorporation, bylaws, annual corporate reports)

Retention Period

Permanent

Licenses and Permits

Permanent

Memorandums of Understanding

Permanent

D. CORRESPONDENCE AND INTERNAL MEMORANDA

General Principle: Most correspondence and internal memoranda should be retained for the same period as the document they pertain to or support. For instance, a letter pertaining to a particular contract would be retained as long as the contract (7 years after expiration). It is recommended that records that support a particular project be kept with the project and take on the retention time of that particular project file.

Correspondence or memoranda that do not pertain to documents having a prescribed retention period should generally be discarded sooner. These may be

divided into two general categories:

1. Those pertaining to routine matters and having no significant, lasting consequences should be discarded *within two years*. Some examples include:
 - Routine letters and notes that require no acknowledgment or follow-up, such as notes of appreciation, congratulations, letters of transmittal, and plans for meetings.
 - Form letters that require no follow-up.
 - Letters of general inquiry and replies that complete a cycle of correspondence.
 - Letters or complaints requesting specific action that have no further value after changes are made or action taken (such as name or address change).
 - Other letters of inconsequential subject matter or that definitely close correspondence to which no further reference will be necessary.
 - Chronological correspondence files.

Please note that copies of interoffice correspondence and documents where a copy will be in the originating department file should be read and destroyed, unless that information provides reference to or direction to other documents and must be kept for project traceability.

2. Those pertaining to non-routine matters or having significant lasting consequences should generally be retained permanently.

E. ELECTRONIC DOCUMENTS

1. **Electronic Mail:** Not all email needs to be retained, depending on the subject matter.
 - Staff will strive to keep all but an insignificant minority of their e-mail related to business issues.
 - Staff will not store or transfer Perimatics related e-mail on non-work-related computers except as necessary or appropriate for Perimatics business purposes.
 - Staff will take care not to send confidential/proprietary Perimatics information to outside sources.
 - Any e-mail staff deems vital to the performance of their job should be copied to the staff's thumb drive.

2. **Electronic Documents:** including Microsoft Office Suite and PDF files. Retention also depends on the subject matter.
 - **PDF documents** – The length of time that a PDF file should be retained should be based upon the content of the file and the category under the various sections of this policy. The maximum period that a PDF file should be retained is 6 years. PDF files the employee deems vital to the performance of his or her job should be printed and stored in the employee's workspace.
 - **Text/formatted files** - Staff will conduct annual reviews of all text/formatted files (e.g., Microsoft Word documents) and will delete all those they consider unnecessary or outdated. After five years, all text files will be deleted from the network and the staff's desktop/laptop. Text/formatted files the staff deems vital to the performance of their job should be printed and stored in the staff's workspace.

3. **Web Page Files: Internet Cookies**
 - All workstations: Browsers must be scheduled to delete Internet cookies at least once per month.

Perimatics does not automatically delete electronic files beyond the dates specified in this Policy. It is the responsibility of all staff to adhere to the guidelines specified in this policy.

F. LEGAL FILES AND PAPERS

Record Type

Retention Period

Legal Memoranda and Opinions (including all subject matter files)

10 years after close of matter

Litigation Files

10 year after expiration of appeals or time for filing appeals

Court Orders

Permanent

Requests for Departure from Records Retention Plan

10 years

G. MISCELLANEOUS

Record Type	Retention Period
Consultant's Reports	2 years
Material of Historical Value (including pictures, publications)	Permanent
Policy and Procedures Manuals – Original	Current version with revision history
Policy and Procedures Manuals - Copies	Retain current version only
Annual Reports	Permanent

H. PERSONNEL RECORDS

Record Type	Retention Period
Employee Personnel Records (including individual attendance records, application forms, job or status change records, performance evaluations, termination papers, withholding information, garnishments, test results, training and qualification records)	6 years after separation
Employment Contracts – Individual	7 years after separation

I. PROPERTY RECORDS

Record Type	Retention Period
Correspondence, Property Deeds, Assessments, Licenses, Rights of Way	Permanent
Original Purchase/Sale/Lease Agreement	Permanent
Property Insurance Policies	Permanent

J. TAX RECORDS

General Principle: Perimatics must keep books of account or records as are sufficient to establish amount of gross income, deductions, credits, or other matters required to be shown in any such return.

These documents and records shall be kept for as long as the contents thereof may become material in the administration of federal, state, and local income, franchise, and property tax laws.

Record Type	Retention Period
IRS Rulings	Permanent
Excise Tax Records	7 years
Tax Bills, Receipts, Statements	7 years
Tax Returns - Income, Franchise, Property	Permanent
Tax Workpaper Packages - Originals	7 years
Sales/Use Tax Records	7 years
Annual Information Returns - Federal and State	Permanent
IRS or other Government Audit Records	Permanent