

X. RECORDS RETENTION

- A. As a tax-exempt, non-profit organization, record keeping and record retention are very important. Although in many situations the requirements for a profit corporation and a non-profit corporation are identical, there are two specific considerations for the non-profit organization to have an established records retention policy:
1. In order to retain Federal Tax exemption, a non-profit organization must be able to establish that it is organized and operated as to the specified purpose that gave rise to the Internal Revenue grant of a tax exemption. AURA's non-profit classification is as a "scientific research" organization (IRC section 501(c)(3)).
 2. Under the federal Sarbanes-Oxley Act (2002), the destruction of documents in the face of a governmental inquiry is a criminal offense and applies to both profit and non-profit companies. Although there have been various state and federal requirements regarding the maintenance of records before Sarbanes-Oxley, it is now of utmost importance to maintain a policy of records retention and be aware of this law in the decision-making process for destruction of documents.
- B. The table marked as Attachment A, which is not specifically mandated by state or federal statute does provide a rational order of retention and disposal time-tables suggested by the possibility of disputes within the organization, litigation, and potential for audits by federal or state authorities. It is by no means a complete listing of organization filings. It should be used as a minimum guideline at the various company locations.

The following information is for use as to noted special situations:

1. Government Contracts, Awards, Grants, etc.:

AURA currently operates through various unincorporated "centers". The centers, as well as the corporate office receives its funding principally from U.S. Government contracts, co-operative agreements, grants, subcontracts or other federal contractual vehicles. Such contracts and awards, including operational and financial documents, must be retained for a period of **six (6) years** after the execution of final closing documents with the U.S. Government and an "assignment of all claims" under such efforts to the U.S. Government;
2. VEBA and VEBA Trust:

AURA has created a Voluntary Employee Benefit Association (VEBA) (IRC section 501(c)(9)) and a Trust to financially sustain its requirements. All records on this subject, including thereby actuarial reports, are to be treated and retained on a **Permanent** basis; and,

3. Intellectual Property:

The activities of non-profit organizations often produce valuable intangible property that should be protected to preserve its value. The various certificates, licenses, assignments, publication agreements, copyright and trademark registrations, royalty records, and other background material should be treated and retained as **Permanent** records.

The terms “records” and “records retention” include hard paper copy, computer disks, microfilm, scanned or digitized copies, magnetic and visual media, and such other electronic communications. All operating centers are required to implement this policy and also assess such other local or internal needs as may be necessary to assure compliance with prudent business practices.

ATTACHMENT A

RECORDS RETENTION POLICY

INSTITUTIONAL AND LEGAL RECORDS:

Articles of Incorporation	Permanent
Charter	Permanent
By-Laws	Permanent
Minutes of Directors Meetings	Permanent
Minutes of Board Committee Meetings	Permanent
Deeds and Titles	Permanent
Leases	While active + 6 years
Patent & Trademark Records	While active + 12 years
State Qualification of Doing Business	Permanent

FEDERAL TAX RECORDS

Form 990 and support	Permanent
Form 990-T and support	Permanent
IRS Exemption Application & Determination Letter	Permanent
State Tax Exemptions	Permanent

ACCOUNTING & FINANCIAL RECORDS

Accounts Receivable and Subsidiary ledgers	10 years
Uncollected Accounts	10 years
Accounts Payable and Subsidiary ledgers	10 years
1099 and other federal forms	10 years
Check Registers	10 years
Description of Accounting System	Permanent
General Ledgers & Operating Ledgers	While active + 9 years
Program Annual Financial Reports	While active + 9 years
Annual Financial Statements & Audit Reports	Permanent

LITIGATION RECORDS

Claims	While active + 9 years
Court documents & Records	While active + 9 years
Discovery Materials	While active + 9 years
Settlement Documents	Permanent

INSURANCE RECORDS

Property & Liability Policies	While active + 12 years
Insurance claims documentation	While active + 12 years

BANK RECORDS

Bank Statements	7 years
Wire Transfer records	7 years
Bank Reconciliation's & Support	7 years
Canceled Checks	7 years

PERSONNEL FILES

Personnel Files including: I-9 records, applications & resumes, performance evaluations, Personnel Action forms, cobra notice, inventions and proprietary agreement etc.	While active + 6 years
EEO Records (AAP, EEO-1)	While active + 3 Years
Benefit Plans	While active + 6 Years
Application of non-selected Candidates	2 Years

ALL OTHER COMMUNICATIONS AND RECORDS NOT IDENTIFIED IN THIS LISTING SHOULD BE RETAINED AS A MINIMUM WHILE ACTIVE + 6 YEARS.