

DOCUMENT RETENTION POLICY

CODE OFFICIALS CONFERENCE OF MICHIGAN (COCM)

ARTICLE I

PURPOSE

The purposes of this document retention policy are for COCM (the "Organization") to enhance compliance with the Sarbanes-Oxley Act and to promote the proper treatment of corporate records of the COCM.

ARTICLE II

POLICY

Section 1. General Guidelines. Records should not be kept if they are no longer needed for the operation of the organization or required by law. Unnecessary records should be eliminated from the files. The cost of maintaining records is an expense which can grow unreasonably if good housekeeping is not performed. A mass of records also makes it more difficult to find pertinent records.

From time to time, the COCM may establish retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that warrant special consideration are identified below. While minimum retention periods are established, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention, as well as the exception for litigation relevant documents and any other pertinent factors.

Section 2. Exception for Litigation Relevant Documents. The COCM expects all officers, directors, and members to comply fully with any published records retention or destruction policies and schedules, provided that all officers, directors, and employees should note the following general exception to any stated destruction schedule: If you believe, or the COCM informs you, that COCM records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then you must preserve those records until it is determined that the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records.

Section 3. Minimum Retention Periods for specific Categories:

- (a) COCM Documents. COCM records include the COCM's articles of incorporation, by-laws and IRS Form 1023, Application for Exemption. COCM records should be retained permanently. IRS regulations require that the Form 1023 be available for public inspection upon request.

- (b) Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of contributions made by donors, accounting procedures, and other documents concerning COCM's revenues. Tax records should be retained for at least seven years from the date of filing the application return.
- (c) Personnel Records. State and federal statutes require the COCM to keep certain recruitment, personnel information, and any complaints brought against the COCM or individuals under applicable state and federal statutes. The COCM should also keep in the member's file all final COCM memoranda and correspondence reflecting board members' reviews and actions taken by or against members. Members' records should be retained for seven years.
- (d) Board and Board Committee Materials. Meeting minutes should be retained in perpetuity in the COCM minute book. A clean copy of all other Board and Board Committee materials should be kept for no less than three years by the COCM.
- (e) Press Releases/Public Filings. The COCM should retain permanent copies of all press releases and publicly filed documents under the theory that the COCM should have its own copy to test the accuracy of any document a member of the public can theoretically produce against the COCM.
- (f) Legal Files. Legal counsel should be consulted to determine the retention period of particular documents, but legal documents should generally be maintained for a period of ten years.
- (g) Marketing and Sales Documents. The COCM should keep final copies of marketing and sales documents for the same period of time it keeps other corporate files, generally three years.

An exception to the three-year policy may be sales invoices, contracts, leases, licenses, and other legal documentation. These documents should be kept for at least three years beyond the life of the agreement.

The COCM should keep all documents designated as containing trade secret information for at least the life of the trade secret.

- (h) Contracts. Final, execution copies of all contracts entered into by the COCM should be retained. The COCM should retain copies of the final contracts for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.
- (i) Correspondence. Unless correspondence falls under another category listed elsewhere in the policy, correspondence should generally be saved for two years.

- (j) Banking and Accounting. Accounts payable ledgers and schedules should be kept for seven years. Bank reconciliations, bank statements, deposit slips and checks (unless for important payments and purchases) should be kept for three years. Any inventories of products, materials, and supplies and any invoices should be kept for seven years.
- (k) Insurance. Expired insurance policies, insurance records, accident reports, claims, etc. should be kept permanently.
- (l) Audit Records. External audit reports should be kept permanently. Internal audit reports should be kept for three years.

Section 4. Electronic Mail. E-mail that needs to be saved should be either:

- (i) printed in hard copy and kept in the appropriate file; or
- (ii) downloaded to a computer file and kept electronically or on disk as a separate file.

The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy