

Consent Agenda Briefing for PWSRCAC Board of Directors – May 2025

ACTION ITEM

Sponsor: Hans Odegard and Ashlee Hamilton
Project number and name or topic: Document Retention Procedure

1. **Description of agenda item:** Staff is seeking Board approval of revisions to the Council's document retention procedures. Originally adopted in 2012, the Council's document retention procedure was created to address the preservation of the organization's financial and corporate governance records. This procedure does not apply to project related reports, letters, and other reference materials; project related documentation are retained by the organization in perpetuity, mainly in the Council's document management system.

The retention schedule put in place back in 2012 is seen by staff as a bit too generous and harder to manage than necessary. Now that the Council's files have been modernized, staff recommends storing most documents digitally, with solid backup systems or cloud storage in place.

2. **Why is this item important to PWSRCAC:** Proper document retention is needed to ensure compliance with Internal Revenue Service (IRS) requirements, Alaska Statutes, and Alyeska contract requirements. PWSRCAC is required to provide information about its retention policy on its annual Form 990 filed with the IRS. In addition, a retention policy will help staff determine which records to keep and which records to destroy so that costs of handling and storage may be minimized. The procedure provides for exceptions in the case of litigation.

3. **Previous actions taken by the Board on this item:**

<u>Meeting</u>	<u>Date</u>	<u>Action</u>
Board	9/20/2012	Approved the adoption of the document retention procedure as presented.

4. **Summary of policy, issues, support, or opposition:** The Internal Revenue Service requires that financial and other records be retained for a minimum period of three years. The organization's auditor was consulted and the proposed policy amendments met or exceeded their recommendations regarding document retention timeframes. This policy identifies records that should be held permanently and those that may be destroyed after a period of time.

5. **Committee Recommendation:** The Finance Committee reviewed the amendments to the Council's Document Retention Procedure made by staff, and recommended staff make additional revisions ahead of sending the procedure to the Board for acceptance.

6. **Relationship to LRP and Budget:** Not applicable.

Approval of Amendments to Council's Document Retention Procedure 3-6

7. **Action Requested of the Board of Directors:** Approve the proposed revisions to the Council's document retention procedure as presented.
8. **Alternatives:** None recommended.
9. **Attachments:** Proposed revisions to the Council's document retention procedure.

Prince William Sound Regional Citizens' Advisory Council Document Retention Procedure

Purpose

The purposes of this document retention procedure are for the Prince William Sound Regional Citizens' Advisory Council (the "Organization") to enhance compliance with the applicable portions of the Sarbanes-Oxley Act and to promote the proper treatment of corporate records of the Organization.

Maintaining accurate and complete documentation is crucial for the smooth operation and compliance of the Prince William Sound Regional Citizens' Advisory Council (Council). This policy outlines our approach to document retention, helping ensure that we meet legal and regulatory obligations while adhering to best practices in document management.

The Council recognizes that certain documents are subject to specific regulatory requirements. For instance:

- **Financial and accounting documents** must generally be kept for at least seven years to comply with IRS guidelines and the Sarbanes-Oxley Act.
- **Employment and personnel files** are retained according to federal laws, such as those set by the Equal Employment Opportunity Commission (EEOC).
- **Insurance policies and claims documents** are kept for the time required by industry standards and applicable state regulations.
- **Organizational documents**, like Board meeting minutes and By-laws, are preserved permanently for legal and historical purposes.

While not every type of document is required to be kept for a specific period by law, the Council strives to maintain a consistent approach to retention. This ensures compliance with applicable regulations, provides clarity for future reference, and supports the long-term health of the organization.

General Guidelines

Documents Records should not be kept if they are no longer needed for the operation of the business or required by law. Any unnecessary **documents** records should be **properly disposed of** eliminated from the files. Maintaining excessive paperwork incurs unnecessary costs, and poor document management can lead to unreasonable expenses. Additionally, keeping too many documents makes it harder to locate important files when needed. The **Council** Organization may periodically establish specific retention or destruction policies **for different categories of documents. These procedures aim** or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other achieve objectives such as **like** preserving intellectual property and **managing costs** cost management. **Certain documents may require special consideration. Minimum retention periods apply, but final retention decisions should follow general guidelines, with the exception of litigation relevant documents and other**

legally significant factors. 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.

Exception for Litigation Relevant Documents

The **Council Organization** expects all **Board members, volunteers** officers, directors, and employees to comply fully with any published document retention or destruction policies, procedures, and schedules. ~~provided that~~ **All Board members, volunteers** officers, directors, and employees should note the following general exception to any stated destruction schedule: If you believe, or the **Council Organization** informs you, that **Council Organization** documents are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then you must preserve those documents until it is determined that the records are no longer needed.

This that exception **overrides** supersedes any previously or subsequently established destruction schedule for those documents.

Minimum Retention Periods for Specific Categories of Documents

The table below outlines the **minimum retention periods**, calculated from the end of the relevant fiscal year, for specific categories of records. For clarity, the Council defines **“cloud storage”** as digital document storage solutions that are accessible online and supported by regular backups. At the drafting of this procedure, this includes, but is not limited to, the following platforms:

- **Microsoft Teams and SharePoint**, hosted on **Microsoft Azure**, which are used for collaborative file sharing and storage.
- **Sage Intacct**, our cloud-based accounting system hosted on **Amazon Web Services (AWS)**, which stores financial and transactional documents.
- Our **document management system (DMS)**, powered by **FileMaker** and backed up to **AWS**, which is used for the structured organization and secure storage of key documents.
- **On-premises server shares**, currently stored locally and backed up via **Barracuda Cloud Storage**. These systems are in the process of being migrated to Microsoft cloud storage infrastructure as of 2025.

To prevent accidental deletion of documents that must be retained, designated cloud storage locations should be clearly labeled, and access permissions should be set as needed. Where applicable, folders should be named in a way that indicates their retention requirements (e.g., 'DO NOT DELETE'), and system settings should be used to enforce retention policies.

Document Category	Description	Minimum Retention	Location	Justification
Organizational Documents	Articles of Incorporation, By-Laws, Alaska Department of Commerce Biennial Reports, IRS Form 1023 (original application for tax exempt status).	Permanent	Documents were stored in physical filing cabinets at the Anchorage office through 2020. Beginning in 2021, documents have been stored digitally in the Council's cloud storage environment.	Edit to move IRS 1023 to this section.
Accounting Documents	Accounts payables source documentation, bank statements, bank statement reconciliations, check copies, deposit slips, and cancelled checks and ACH payment records .	Seven years.	Anchorage office basement storage and Council's cloud storage when applicable.	Edit to add ACH payments.
Audit Records	Audit reports and audited financial statements. Auditor's correspondence with Finance Committee and Board of Directors.	Permanent	Anchorage office—Gregory's office. Anchorage office filing cabinets and in the Council's cloud storage.	Transition to digitization for more efficient and modern storage practices, and ease of use.
Board of Directors and Executive Committee Meeting Materials	Meeting agendas , minutes and other materials distributed to Board members and the Executive Committee.	Permanent	Anchorage office—basement storage. Valdez Office and the Council's Online document management system.	Transition to digitization for more efficient and modern storage practices, and ease of use, reflecting current practices.

Document Category	Description	Minimum Retention	Location	Justification
Budgets	Approved budgets and budget modifications.	Permanent	Anchorage office—Gregory's office and basement storage. Council's cloud storage.	Transition to digitization for more efficient and modern storage practices, and ease of use, reflecting current practices.
Contracts and other Legal Documents	Contracts, lease agreements, and other legal documents.	Permanent	Anchorage office—basement storage and reception area filing cabinets. Council's cloud storage.	Transition to digitization for more efficient and modern storage practices, and ease of use.
Employment and Personnel Records	Personnel files, recruitment records, and job announcements.	Seven years	Anchorage office—Gregory's office and basement storage. Anchorage office personnel filing cabinet.	
Workers Compensation Insurance Policies	Insurance policies and records, accident reports, and claims.	Permanent	Anchorage office—Gregory's office and basement storage. Council's cloud storage.	Transition to digitization for more efficient and modern storage practices, and ease of use.
Other Insurance Policies	Cybersecurity and liability, general liability, commercial, travel, accidental and other insurance policies and records, reports and claims.	Seven years	Council's cloud storage.	Transition to digitization for more efficient and modern storage practices, and ease of use.

Document Category	Description	Minimum Retention	Location	Justification
Budget Interim Financial Statements	Quarterly financial statements and budget comparisons.	Permanent Seven years	Council's cloud storage. Anchorage office— Gregory's office and basement storage.	Transition to digitization for more efficient and modern storage practices, and ease of use, reflecting current practices.
IRS Filings	Form 1023, Original application for tax exempt status. Form 990 information returns filed each year with the Internal Revenue Service. W-9 forms and 1099 forms.	Permanent Seven years	Anchorage office fireproof filing cabinet in the computer room and Council's cloud storage.	Form 1023 should be kept in perpetuity and is now listed under "Organizational Documents." Transition to digitization for more efficient and modern storage practices, and ease of use.
Payroll Records	Records for each pay period, employee payroll files, timecards, W-2 forms, and quarterly payroll tax reports filed with the Internal Revenue Service and the Alaska Department of Labor.	Seven years after employee's termination.	Anchorage office— Gregory's office and basement storage. Anchorage office personnel filing cabinet. Electronic after 2001 via the Council's HR and Payroll system.	Transition to digitization for more efficient and modern storage practices, and ease of use.
Press Releases/Public Filings	All press releases and publicly filed documents.	Permanent	Council's cloud storage and in the Council's online document management system. Copies of electronic versions are sufficient.	Transition to digitization for more efficient and modern storage practices, and ease of use, reflecting current practices.

Document Category	Description	Minimum Retention	Location	Justification
Solicitations	Requests for Proposals (RFP), Requests for Qualifications (RFQ), bid evaluation checklists and materials.	RFP's and RFQ's - Permanent. RFP's and RFQ's - Permanent. Evaluations, checklists and other materials - four years	Anchorage office – basement storage. Anchorage office – basement storage. Council's cloud storage.	Transition to digitization for more efficient and modern storage practices, and ease of use.
XCOM Materials	Meeting minutes and other materials distributed to XCOM members.	Permanent		Merged with Board category.