

DOCUMENT RETENTION POLICY

Reasons for Policy

Bill Spragins Consulting LLC's (the “**Company**”) information is a vital company asset that the Company must manage throughout its lifecycle. Our records reflect information that is created, transmitted, or received in the course of company business, including engagements with the Company’s clients (each, a “**Client Engagement**”) that the Company wants to or must retain for business or legal purposes.

Federal and state law require the Company to retain certain records, usually for a specific amount of time. The Company must retain certain records because they contain information that (a) serves as the Company’s corporate memory; (b) has enduring business value (for example, by providing a record of a business transaction, evidencing the Company's rights or obligations, protecting the Company's legal interests, or ensuring operational continuity); or (c) the Company must keep to satisfy legal, accounting, or other regulatory requirements.

The accidental or intentional destruction of these records before their specified retention period ends could result in fines and penalties, loss of rights, obstruction of justice charges, inference of spoliation of evidence and spoliation tort claims, contempt of court charges, serious disadvantages in litigation, and other negative consequences for the Company and/or its employees.

The Company prohibits the unauthorized or inappropriate destruction of any records, files, documents, samples, and other forms of information. This Document Retention Policy (this “**Policy**”) is in accordance with the Sarbanes-Oxley Act of 2002, under which it is a crime to change, conceal, falsify, or destroy any record with the intent to impede or obstruct any official or government proceeding.

This Policy is part of a Company-wide system for the review, retention, and destruction of records that the Company creates or receives in connection with the business it conducts.

Types of Documents

In addition to records, the Company also has disposable information and confidential information that belongs to others. This section explains the differences among records, disposable information, and confidential information belonging to others.

Records: A record is any type of information created, received, or transmitted in the ordinary course of the Company's business, regardless of physical format, including:

- Appointment books and calendars.
- Computer programs.
- Contracts.
- Electronic files.
- Emails.
- Handwritten notes.
- Invoices.
- Letters, memoranda, and other correspondence.
- Presentations.

- Memory in cell phones, tablets, and PDAs.
- Online postings, such as on LinkedIn, Facebook, Twitter, Instagram, Snapchat, Slack, Reddit, Vine, and other social media platforms and websites.
- Voicemails.

The Company and its employees must retain any paper records and electronic files that are part of any of the categories listed in the Records Retention Schedule contained in the Appendix to this Policy, for the amount of time indicated in the Records Retention Schedule. To ensure efficient use of physical and electronic space, a record should not be retained beyond the period indicated in the Record Retention Schedule unless a valid business reason (or a litigation hold or other special situation) calls for its continued retention.

Disposable Information: Disposable information may be discarded or deleted at the user's discretion once it has served its temporary useful purpose and/or because it is not a record as defined by this Policy, such as:

- Duplicates of original documents that have not been annotated.
- Preliminary drafts of letters, memoranda, reports, worksheets, and informal notes that do not represent significant steps or decisions in the preparation of an official record.
- Books, periodicals, manuals, training binders, and other printed materials obtained from sources outside of the Company and retained primarily for reference purposes.
- Spam and junk mail.

Confidential Information Belonging to Others: Any confidential information that an employee may have obtained from a source outside of the Company, such as a previous employer, must not, so long as such information remains confidential, be disclosed to or used by the Company. Unsolicited confidential information submitted to the Company should be refused, returned to the sender where possible, and deleted, if received via the internet.

Mandatory Compliance

Responsibility of All Employees: The Company strives to comply with the laws, rules, and regulations that govern it and with recognized compliance practices. All Company employees and contract staff must comply with this Policy, the Records Retention Schedule and any litigation hold communications. Failure to do so may subject the Company, its employees and contract staff to serious civil and/or criminal liability. An employee's failure to comply with this Policy may result in disciplinary sanctions, including suspension or termination.

Reporting Policy Violations: The Company is committed to enforcing this Policy as it applies to all forms of records. The effectiveness of the Company's efforts, however, depends largely on employees and contract staff, who should report any violations to Bill Spragins immediately. The Company may not become aware of a possible violation of this Policy and may be unable to take appropriate corrective action if inappropriate conduct is not brought to its attention. No one will be subject to, and the Company prohibits, any form of discipline, reprisal, intimidation, or retaliation for reporting incidents of inappropriate conduct of any kind, pursuing any record destruction claim, or cooperating in related investigations.

Records Management: Bill Spragins shall (a) administer the Company's document management program, including by (i) identifying the documents that the Company must or should retain, (ii) determining, in collaboration with legal counsel, the proper period of retention pursuant to the Record Retention Schedule, and (iii) ensuring that the document management program and Records Retention Schedule remain in compliance with state and federal law; (b) arrange for the proper storage and retrieval of records, coordinating with outside vendors where appropriate, and establishing standards for such filing and storage; (c) develop and implement measures to maintain actual knowledge of the information the Company has and where it is stored; (d) develop and implement measures to ensure that the Company keeps only the information it needs pursuant to best practices or applicable state and federal law, thereby efficiently using space; (e) explain to all employees and contract staff their duties relating to the Company's document management program and this Document Retention Policy; (f) handle the destruction of records whose retention period has expired in accordance with state and federal law; and (g) maintain records on the volume of records destroyed under the Records Retention Schedule.

How to Store and Destroy Records

Storage: The Company's records must be stored in a safe, secure, and accessible manner.

Destruction: Bill Spragins is responsible for the continuing process of identifying records that have met their required retention period and supervising their destruction. Confidential, financial, Client Engagement, and personnel-related records must be shredded if possible. Nonconfidential records may be destroyed by recycling. Records destruction must stop immediately upon notification from Bill Spragins that a litigation hold was implemented because the Company may be involved in a lawsuit or an official investigation (see next paragraph). Destruction may begin again once Bill Spragins lifts the relevant litigation hold.

Litigation Holds and Other Special Situations: The Company requires all employees and contract staff to comply fully with its published records retention schedule and procedures as provided in this Policy. All employees and contract staff should note the following general exception to any stated destruction schedule: If an employee or contract staff believes, or Bill Spragins notes, that the Company's records are relevant to current litigation, potential litigation (that is, a dispute that could result in litigation or facts and circumstances reasonably likely to result in litigation), a government investigation, audit, or other event, those records, including emails, must be preserved and not deleted, disposed, destroyed, or changes until Bill Spragins determines those records are no longer needed. This exception, referred to as a legal hold, replaces any previously or subsequently established destruction schedule for those records. In addition, employees and contract staff may be asked to suspend any routine document disposal procedures in connection with certain other types of events, such as the merger of the Company with another organization or the replacement of the Company's information technology systems. If an employee or contract staff believes these exceptions may apply, or has any questions regarding whether they may possibly apply, they should contact Bill Spragins immediately.

Audits and Employee Questions

Internal Review and Policy Audits: Bill Spragins will periodically review this Policy and its procedures with legal counsel and the Company's certified public accountant(s) to ensure the Company is in full compliance with applicable new or amended federal or state laws or regulations. Additionally, the Company may audit employee files and computer hard drives to ensure compliance with this Policy.

Questions About the Policy: Refer any questions about this Policy to Bill Spragins ((303) 882-0846; Bill@spragins.net), who is in charge of administering, enforcing, and updating this Policy.

APPENDIX

Record Retention Schedule

Occasionally Bill Spragins Consulting, LLC, establishes retention or destruction schedules or procedures for specific categories of records. This is done to ensure legal compliance and accomplish other objectives, such as protecting intellectual property and controlling costs. Employees should give special consideration to the categories of documents listed in the record retention schedule below. Avoid retaining a record if there is no business reason for doing so, and consult with Bill Spragins if unsure.

RECORD	RETENTION PERIOD
Personnel and Payroll Records	
Employee benefit plans (includes plans regarding health and dental insurance, 401K, long-term disability, and Form 5500)	6 years from when the record was required to be disclosed.
Employee and contract staff offer letters, applications, resumes, background checks, contracts, agreements, time reports, information on pay rate or weekly compensation, and personnel or employment records (and other documentation regarding hiring, promotion, demotion, transfer, lay-off, termination or selection for training)	3 years from date of making record or action involved, or voluntary or involuntary termination, whichever is later
I-9 Forms	3 years after date of hire or 1 year after employment is terminated, whichever is later
Employee tax records	4 years from the date tax is due or paid
Pension plan and retirement records	Permanent
Payroll registers (gross and net)	Permanent
Time cards; piece work tickets; wage rate tables; pay rates; work and time schedules; earnings records; records of additions to or deductions from wages; records on which wage computations are based, and garnishment records	7 years
W-2 and W-4 Forms and Statements	As long as the document is in effect + 4 years
Company Records	
Articles of Organization, Operating Agreement	Permanent
Annual LLC filings and reports to secretary of state and attorney general	Permanent
Company policies, resolutions, and meeting minutes	Permanent

Fixed Asset Records	Permanent
Sales and purchase records	3 years
Client Engagement Records	
Contracts (not including employment or contract staff contracts or agreements)	Permanent if current (7 years if expired)
Temporary Client Engagement records and confidential information belonging to a client, including, without limitation, emails (client related), voicemails (client related), electronic or handwritten notes (client related), recordings (client related), temporary works made for hire, and all other documents or communications produced by the Company during the course of any Client Engagement for or related to the Client Engagement which are intended to be temporary in nature, except for certain Accounting and Finance and Tax Records subject to other categories of this record retention schedule	1 year or duration of the Client Engagement, whichever is shorter
Deliverable or Permanent Client Engagement records and confidential information belonging to a client, including, without limitation, presentations (client related), deliverable or permanent works made for hire, reports (client related), and all other documents or communications produced by the Company during the course of any Client Engagement for or related to the Client Engagement which are deliverables or intended to be permanent in nature, except for certain Accounting and Finance and Tax Records subject to other categories of this record retention schedule	1 year, duration of the Client Engagement, or duration of time required by a Client Engagement's governing Contract, whichever is longer
Accounting and Finance	
Accounts Payable and Receivables ledgers and schedules	7 years
Annual financial statements	Permanent
Annual plans and budgets	2 years
Bank statements, cancelled checks, deposit slips	7 years
Business expense records	7 years
Cash receipts	3 years

Electronic fund transfer documents	7 years
Employee expense reports	7 years
General ledgers	Permanent
Journal entries	7 years
Invoices	7 years
Tax Records	
Annual tax returns	Permanent
Filings of fees paid to professionals (IRS Form 1099 in the US)	7 years
Payroll tax withholdings	7 years
Earnings records	7 years
Payroll tax returns	7 years
State unemployment tax records	Permanent
State sales tax exemption documents	Permanent
Legal and Insurance Records	
Insurance claims/applications	Permanent
Insurance disbursements and denials	Permanent
Insurance contracts and policies (Directors and Officers, General Liability, Property, Workers' Compensation)	Permanent
Warranties	Duration of warranty + 7 years