



Retention and Management of Files and Records

The ASA Board of Directors recognizes the importance of having procedures regarding retention of files and records, including which records should be kept and which can be destroyed.

This policy has been developed so that ASA employees can determine and identify which records should be preserved. The policy includes a records retention schedule, which is a list of all records produced or maintained by ASA and the actions taken with those records.

Filing System, Record Class, Email, and Other Electronic Records

Filing System

Unless necessary, records will be kept only by their originator or sender, not by the receiver.

ASA will keep all documentation and records for each year separate from those for other years. ASA will use Labeled folders, using separate folders for different types of documents (e.g., invoices separate from bank reconciliation worksheets, and income tax returns separate from cash receipts).

ASA will use a Record Class system, adhering to the following record classes to optimize filing efficiency, records access, record classifications, and retention periods:

- Class 1: Permanent Records. Permanent records will be kept indefinitely in accordance with statute or other written guidance.
- Class 2: Optional/Temporary Records. Optional records are any records worthy of temporary preservation not classified as Class 1, Permanent records.
- Class 3: Disposable Records. All records not classified as Class 1: Permanent, or Class 2: Optional/ Temporary, shall be classified as Class 3: Disposable.

Email Class Records. All email records of ASA will be retained for a maximum of one fiscal year beginning July 1 and ending June 30 of the year after the email was created. All emails older than one fiscal school year after the year the email was created will be automatically deleted from ASA's email system, servers, backup servers, and any other electronic storage system as early as the first day of the subsequent fiscal school year. The subsequent fiscal school year is defined as beginning on July 1.

Should any email be determined to be retained longer than one fiscal year beyond the date the email was created, the email should be archived in the email system, or printed and filed.

Other Electronic Records: Other electronic records are electronic records saved on a hard drive, flash drive, or other electronic storage medium of the staff or individual who retains the record in its final form. Any electronic record not classified as Class 1: Permanent or Class 2: Optional/ Temporary shall be classified as Class 3: Disposable. Once an electronic record is considered



Class 3: Disposable, employees will conduct a reasonable search of all electronic sources of information (computer hard drives, flash drives, servers, compact discs and other electronic media) in their possession and shall delete those electronic records permanently.

Record classes 1 through 3 are described and defined in further detail later in this policy.

Records Retention

Copies of critical records that are vital to the ASA's daily operations will be kept off site in case of disaster. This may include information needed to file insurance claims (asset lists, insurance contacts, policy numbers), financial data for tax purposes (wages paid, income and expenses), contact lists to inform or restart the business (vendors, customers, investors and employees), and other data to help rebuild the business (business plans, intellectual property, or proprietary information).

Destruction of Class 3: Disposable Records

Within three to six months after the end of each school year, all Class 3 records will be destroyed. In other words, all records are to be preserved until they are deemed Class 3 records.

A list of records to be destroyed will be circulated to all affected individuals for review and comment 30 days prior to destruction. The list of records destroyed will be maintained permanently.

Disposal Period

All Class 3: Disposable records will not be destroyed until after the third July 1 succeeding the completion of ASA's annual independent audit required by Education Code or of any other legally required audit, or after the ending date of any retention period required by any agency other than the State of California, whichever date is later.

Unless otherwise specified in policy, all Class 3: Disposable records shall be destroyed during the third school year after the school year in which they originated (e .g ., 2018-19 records may be destroyed after July 1, 2021).

Examples of Class 1, 2 and 3 Records

Class 1: Permanent Records — Do Not Destroy

A - Annual Reports

- Official budget.
- Financial report of all funds, including cafeteria and student body funds .
- Audit of all funds .
- Average daily attendance, including reports for the first and second interim reporting periods (P-1 andP-2) .
- Other major annual reports, including:
 - Those containing information about property, activities, financial condition, or transactions.
 - Those the governing board has declared permanent.



B - Official Actions

- Minutes of the governing board or committees thereof, including the text of a rule, regulation, policy or resolution not set forth verbatim in the minutes but included therein by reference.
- Elections, including the call for and the result (not including detail documents such as ballots) of an election called, conducted or canvassed by the governing board for a board member, his or her recall, issuance of bonds incurring any long-term liability, change in maximum tax rates, reorganization, or any other purpose.
- Records transmitted by another agency that pertain to that agency's action with respect to ASA's reorganization.

C - Personnel Records (Employees)

- All employee records related to employment, assignment, amounts and dates of service rendered, termination or dismissal, sick leave, rate of compensation, salaries or wages paid, and deductions or withholdings made and the person or agency to whom such amounts were paid. In lieu of detailed records, a complete and accurate summary payroll record for every employee of the school containing the same data may be classified as Class 1: Permanent, and the detailed records may then be classified as Class 3: Disposable.
 - Information of a derogatory nature as defined in Education Code section 44031 shall be Class 1: Permanent only after it becomes final. This information becomes final when:
 - The time for filing a grievance has lapsed, or
 - The document was for a grievance that has been sustained by the grievance process.

D - Pupil Records

- The enrollment and scholarship records for each pupil.
- All records pertaining to any accident or injury involving a minor and for which a claim for damages has been filed as required by law, including any policy of liability insurance relating thereto, except that these records cease to be Class 1: Permanent records one year after the claim has been settled, or sooner if the statute of limitations has run out.
 - Any item of information in any form (i.e., written, electronic, or other) that is directly related to a current or former pupil and is maintained by ASA is considered a pupil record.

E - Property and Insurance Records

All detailed records related to land, buildings and equipment. In lieu of such detailed records, a complete property ledger may be classified as Class 1: Permanent, and the detailed records may then be classified as Class 3: Disposable, if the property ledger includes the following:

- All fixed assets.
- An equipment inventory.



- For each item of property, the date of acquisition or augmentation, the person from whom acquired an accurate description or identification, and the amount paid. Comparable information is required if the unit is sold, lost, or otherwise disposed of .
- All insurance records will be kept. Insurance policies will be retained indefinitely.

F - Historical records

- Articles of incorporation
- IRS nonprofit determination letter
- Administrative guides
- Annual reports
- School employee directories
- Employee newsletters and handbooks
- Educational objectives, charter school goals and reaffirmation of loyalty
- Racial and ethnic surveys
- Yearbooks and other school publications
- All unique or old administrative and instructional publications
- All identified or identifiable photos of charter school people, places and events
- All unique or old documents or publications about the history of ASA

Class 2: Optional/Temporary Records

- Any record worthy of temporary preservation but not classified as Class 1: Permanent will be classified as Class 2: Optional/Temporary and shall then be retained until reclassified as Class 3: Disposable.
- If the CEO or governing board decide that classification should not be made, all records of the prior year may be classified as Class 2: Optional/Temporary, pending further review and classification within one year. Optional/Temporary records may include records considered useful for administrative, legal, fiscal or other purposes, and they may remain Optional/Temporary for a period of years.
- Examples of Optional/Temporary records include:

A - Gross receipts

ASA will keep supporting documents that show the amounts and sources of gross receipts, such as the following:

- Cash register tapes (e.g., for student store sales)
- Bank deposit slips
- Receipt books
- Invoices
- Credit card charge slips
- Forms 1099-MISC, Miscellaneous Income
- Other cash receipts such as cash count forms and receipt books

B - Inventory

Documents that report the cost of inventory include the following:



- Canceled checks
- Cash register tape receipts
- Credit card sales slips and invoices
- These records help a charter school determine the value of its inventory at the end of the year.

C - Expenses

Documents include the following:

- Canceled checks
- Cash register tapes
- Account statements
- Credit card sales slips
- Invoices
- Petty cash slips for small cash payments

D - Travel, transportation, entertainment, and gift expenses
(In accordance with IRS Publication 463)

E - Employment taxes

Specific employment tax records will be retained as identified in IRS Publication 15, Employer's Tax Guide

- Employment tax records will be kept for at least four years after the date the tax is due or is paid, whichever is later.

F - Assets

ASA will keep records that verify certain information about its assets.

Asset records will show the following information:

When and how the asset was acquired

- Purchase price
- Cost of any improvements
- Deductions taken for depreciation
- Deductions taken for casualty losses, such as losses from fires or storms
- How the asset was used
- When and how the asset was disposed of
- Selling price
- Expenses of sale
- The following documents may provide this information:
 - Purchase and sales invoices
 - Real estate closing statements
 - Canceled checks
 - G. Other
 - General ledger detail report
 - All bank records (e .g ., bank statements and bank reconciliations)



- All income tax returns
- All minutes of all charter school meetings

H - Record retention time limits – IRS nonprofit tax return standards
ASA's record retention time limits will comply with IRS requirements.

1 . Keep records for three years and:

- If ASA files a claim for a credit or refund after having filed its return, ASA will keep records for three years from the date the original return was filed or two years from the date the tax was paid, whichever is later.
- If ASA files a claim for a loss from worthless securities or a deduction for bad debt, ASA will keep records for seven years .

Class 3: Disposable Records

All records not classified as Class 1: Permanent or Class 2: Optional/Temporary shall be classified as Class 3: Disposable, including but not limited to the following:

- Teachers' registers may be classified as Class 3: Disposable only if all pupil information associated with the teachers' registers is retained in other records or if the pupil record information is removed from the teachers' register and is classified as Class 1: Permanent.
- Periodic reports including daily, weekly, and monthly reports, bulletins and instructions

Federal Funds

United States Code, Title 20, Section 1232f (a) states:

- Each recipient of federal funds under any applicable program through any grant, subgrant, cooperative agreement, loan, or other arrangement shall keep records which fully disclose the amount and disposition by the recipient, of those funds, the total cost of the activity for which the funds are used, the share of that cost provided from other sources, and other records will facilitate an effective financial or programmatic audit.
- ASA shall maintain such records for three years after the completion of the activities for which the funds are used.

Title 20, Section 1232f (b) states,

- The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access, for the purpose of audit examination, to any records maintained by a recipient that may be related, or pertinent to, grants, subgrants, cooperative agreements, loans, or other arrangements to which reference is made in subsection (a) of this section, or which may relate to the compliance of the recipient with any requirement of any applicable program .

Electronic Records

- For purposes of this policy, an electronic record is defined as a computer-generated record. This means an email, pdf, Microsoft Excel, Word, or PowerPoint file, JPEG, WAV, or other file created using computer software or hardware and stored in any



electronic medium including but not limited to magnetic, tape, disc, or other type of drive device, or cloud-based storage. A paper printout of an electronic record is not considered an electronic record.

Records Not Subject to Records Retention

The following are not considered records and therefore are not covered by the records retention policy and may be destroyed at any time by ASA employees:

- Preliminary drafts and informal notes that have no further value to ASA.
- Personal notes and personal correspondence, including personal email correspondence, even if it is created or sent using an ASA computer.
- Personal financial or tax information, or any other information of a purely personal nature, even if those records are kept on ASA's premises or on its computers .
- Advertisements, spam or junk email of any kind received by ASA or any employee or computer .
- Library books, magazines, and pamphlets not prepared by or for ASA.
- Textbooks, maps used for instruction, and other instructional materials .
- Any other document (paper or electronic, including email) that has nothing to do with the ASA's business or with its students, teachers, management, other employees, or contractors.

Litigation Hold

In the event of a threatened or pending lawsuit, ASA may be required by law to retain records, including emails, beyond the established retention period so that they remain subject to legal discovery. ASA's legal counsel will be consulted by the Principal/CEO or designee if such a demand is received, and do not dispose of the records until advised by counsel .