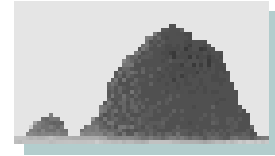


Why Should You Develop or Review Your Existing Document Retention Policy & Schedule?



Haystack Associates, Inc.

Phone: 253 631-1509

Email: dsimons@haystackassociates.com

Given recent events including corporate misbehavior and the passage of the Sarbanes-Oxley Act of 2002, developing or reviewing and updating your corporate document retention policy and schedule has become a priority for most companies.

A document retention policy and schedule ensures:

- ◆ Legal requirements for document retention and destruction are met.
- ◆ Valuable documents are identified and available when needed.
- ◆ Money for space and filing equipment are minimized.
- ◆ Audit trails are preserved between electronic and paper record-keeping systems.
- ◆ The company is protected from allegations of improper document destruction.

How does Sarbanes-Oxley affect your company? Sarbanes-Oxley includes:

- ◆ A 7 year retention for records created and reviewed during the course of an audit including findings, reports, reviews, work papers, e-mails, and correspondence.
- ◆ A requirement to review, evaluate, and document internal controls, information systems, and procedures to ensure financial transactions are accurately documented.
- ◆ Criminalization of the destruction, alteration and falsification of records in federal investigations, bankruptcy cases and official proceedings including provisions for fines and up to 20 years imprisonment.

Who Regulates the Retention and Destruction of Your Records?

Even if you are a private corporation there are a number of federal and state agencies that have requirements for the retention and destruction of your records. A few include:

- ◆ IRS.
- ◆ Federal Regulations for Employment including citizen and immigration documentation, EEO, Family Leave, Labor, and Pensions.
- ◆ Securities and Exchange Commission.
- ◆ State requirements in each state that you employ staff, maintain offices, or sell products. State requirements can include: incorporation records, employment, labor, workers compensation, pensions, and tax.
- ◆ Federal and State limitation of actions on contracts, real estate, and product liability.
- ◆ Federal and State industry specific regulations by OSHA, DOT, FAA, FDA, EPA, Homeland Security, or Energy.

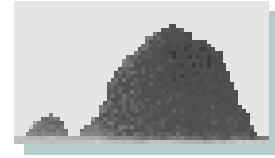
Haystack Associates, Inc. has been working with clients throughout the United States and in Asia since 1989 to develop and implement retention policy and schedule programs.

**For More Information Contact
Denise Simons
at
253 631-1509
dsimons@haystackassociates.com**

Haystack Associates, Inc.

www.haystackassociates.com

What's Involved in Developing a Retention Schedule and Policy



Haystack Associates, Inc.

Inventory / Review

An inventory or review of the types of records you create and maintain is conducted including paper and electronic media. The inventory/review identifies the types of records maintained, media used to maintain records, where duplicate copies of records are maintained, and the department responsible for retaining and destroying the original or official copy of each type of record. Even if you already have a retention schedule a review is recommended to ensure new types of records are identified and included in the retention schedule and policy.

Legal Research

Legal research is done on Federal, State, and Agency requirements that regulate the retention and destruction of your records. State requirements are identified for each state where your company conducts business, employs staff, or sells products.

Retentions Times Assigned to Records

Legal retention requirements are tied to each type of record identified in the inventory and retentions developed that meet federal and state legal requirements as well as business usage.

Corporate Retention Policy

A policy is developed that identifies record retentions and staff responsibilities for maintaining and documenting the storage and destruction of records.

Review and Approval of Schedules and Policy

The corporate retention policy and schedules are submitted for review and approval. Approvals can include in-house or outside auditors and attorneys. Once approved the schedule and policies are ready for approval and adoption as corporate policy by the CEO or Board of Directors.

Training and Implementation

Training is provided on storage and destruction policies and retention schedules. Assistance and project management is provided throughout the implementation process.

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