

# Record Retention and Destruction Policy

Accel AI Institute

Updated as of: July 22nd, 2022

Accel AI Institute follows the document retention procedures outlined below. Documents that are not listed, but are substantially similar to those listed in the schedule will be retained for the appropriate length of time

## ARTICLE I.

### Purpose of policies

These policies provide for the systematic review, retention and destruction of records received or created by Accel AI Institute in connection with the transaction of business. These policies cover all records, regardless of physical form, contain guidelines for how long certain records should be kept and how records should be destroyed.

These policies are designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records and to facilitate Accel AI Institute's operations by promoting efficiency and freeing up valuable storage space.

Included in the federal laws necessitating compliance with these policies is the Sarbanes-Oxley Act ("The American Competitiveness and Corporate Accountability Act of 2002"), which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding.

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

# ARTICLE II

## Policy

### Section 1. General Guidelines.

Records should not be kept if they are no longer needed for the operation of the business 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 Organization 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 II. Records covered

These policies apply to all records in any form, including electronic documents. A record is any material that contains information about Accel AI Institute's plans, results, policies or performance. Anything that can be represented with words or numbers is a business record for purposes of these policies.

Electronic documents must be retained as if they were paper documents. Therefore, any electronic files, including information received on line, that fall into one of the document types on the schedule must be maintained for the appropriate amount of time. [For example, if a user has sufficient reason to keep an email message, the message should be printed in hard copy and kept in the appropriate file or moved to an "archive" computer file folder.] [Backup and recovery methods will be tested on a regular basis.]

Exception for Litigation Relevant Documents. The Organization expects all officers, directors, and employees 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 Organization informs you, that Organization 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.

See the Federal and State Records Retention Worksheet for the most current requirements per document type: [IRS, CAL, TEX STATE RETENTION REQUIREMENTS WORKSHEET](#)

## Section III. Record Retention

Accel AI Institute follows the document retention procedures outlined below. Documents that are not listed, but are substantially similar to those listed in the schedule will be retained for the appropriate length of time.

### Minimum Retention Periods for Specific Categories.

(a) Organizational Documents. Organizational records include the Organization's articles of incorporation, by-laws and IRS Form 1023, Application for Exemption.

Organizational 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 the Organization's revenues. Tax records should be retained for at least ten years from the date of filing the applicable return.

(c) Employment Records/Personnel Records. State and federal statutes require the Organization to keep certain recruitment, employment and personnel information. The Organization should also keep personnel files that reflect performance reviews and any complaints brought against the Organization or individual employees under applicable state and federal statutes. The Organization should also keep in the employee's personnel file all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel. Employment applications should be retained for four years. Retirement and pension records should be kept permanently. Other employment and personnel records should be retained for ten years.

(d) Board and Board Committee Materials. Meeting minutes should be retained in perpetuity in the Organization's minute book. A clean copy of all other Board and Board Committee materials should be kept permanently by the Organization.

(e) Press Releases/Public Filings. The Organization should retain permanent copies of all press releases and publicly filed documents under the theory that the Organization should have its own copy to test the accuracy of any document a member of the public can theoretically produce against the Organization.

(f) Legal Files. Legal counsel should be consulted to determine the retention period of particular documents, but legal documents should be kept permanently.

(g) Marketing and Sales Documents. The Organization should keep final copies of marketing and sales documents for the same period of time it keeps other corporate files, generally ten years. An exception to the ten year policy may be sales invoices, contracts, leases, licenses, and other legal documentation. These documents should be kept permanently.

(h) Development/Intellectual Property and Trade Secrets. Development documents are often subject to intellectual property protection in their final form (e.g., patents and copyrights). The documents detailing the development process are often also of value to the Organization and are protected as a trade secret and should be maintained permanently:

- (i) derives independent economic value from the secrecy of the information; and
- (ii) has taken affirmative steps to keep the information confidential

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

(i) Contracts. Final, execution copies of all contracts entered into by the Organization should be retained. The Organization should retain copies of the final contracts for at least ten years beyond the life of the agreement, and longer in the case of publicly filed contracts.

(j) Correspondence. Unless correspondence falls under another category listed elsewhere in this policy, correspondence should generally be saved for four years.

(k) Banking and Accounting. Accounts payable ledgers and schedules should be kept for ten years. Bank reconciliations, bank statements, deposit slips and checks (unless for important payments and purchases) should be kept for ten years. Any inventories of products, materials, and supplies and any invoices should be kept for ten years.

(l) Insurance. Expired insurance policies, insurance records, accident reports, claims, etc. should be kept permanently.

(m) Audit Records. External audit reports should be kept permanently. Internal audit reports should be kept for ten 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.

Accel AI Institute, Chief Financial Officer or other representative as designated by the Chief Executive Officer is responsible for the ongoing process of identifying its records which have met the required retention period and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding. Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation or claim, whichever is latest.

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against Accel AI Institute and its employees and possible disciplinary action against responsible individuals. The Chief Financial Officer or individual designated by the Chief Executive Officer and Finance Committee chair will periodically review these procedures with legal counsel or the organization's certified public accountant to ensure that they are in compliance with new or revised regulations. Questions concerning these policies, the applicability of certain records to the retention or destruction policies, must be addressed to the Chief Financial Officer or other individual as designated by the Chief Executive Officer.