

Maine Coast Heritage Trust staff uses this document in its land conservation efforts. It is designed for internal MCHT use, and is provided here as a reference or guide. Each land trust has its own mission, priorities, and organizational characteristics that should direct how it does its work and what documents it uses. Please feel free to use the ideas, processes, and even specific text contained in this document, but be sure to tailor them for your organization. Land trusts should always use a lawyer knowledgeable in land transactions when working on a conservation easement or preserve acquisition. MCHT does not guarantee or provide advice as to the tax consequences of any project or action.

Maine Coast Heritage Trust
Document Retention POLICY
APPROVED BY THE BOARD ON NOVEMBER 20, 2020

I. INTRODUCTION

A. Maine Coast Heritage Trust’s Mission Statement. Maine Coast Heritage Trust conserves and stewards Maine’s coastal lands and islands for their renowned scenic beauty, ecological value, outdoor recreational opportunities and contribution to community well-being. MCHT provides statewide conservation leadership through its work with land trusts, coastal communities and other partners.

B. Document Retention Policy Purpose. Maine Coast Heritage Trust (MCHT) recognizes that maintenance of consistent, complete, secure, and authentic documents is essential to achievement of its conservation mission. Consistent with Land Trust Alliance’s Standards and Practices, MCHT’s Retention Policy is developed to document and sustain the conservation values of protected lands under conservation easement or in fee ownership, and to assure MCHT’s public charitable status. All MCHT files are the property of MCHT, not members of the staff or Board of Directors. This Recordkeeping Policy confirms and ratifies MCHT’s current document retention procedures, many of which have been recently revised with the availability of electronic digital back-up capacity.

C. Updating and Revision. This policy, approved by MCHT Board of Directors, embodies the functional principles of MCHT’s Document Retention Policy. Additionally, MCHT’s President and or its Director of Finance and Administration are empowered to develop and amend procedural standards as needed to implement this retention policy.

D. Document Policy Review. At a minimum, the President and or Director of Finance and Administration and a committee of the Board will review this Document Retention Policy every five years to ensure compliance and to ensure that the policies stated herein continue to serve the best interests of MCHT. At a minimum, the Director of Finance and Administration will review the retention procedures noted above every three years to ensure organizational compliance and to ensure that the procedures continue to serve the best interests of MCHT.

II. DOCUMENT RETENTION PROCEDURES

MCHT has established procedures to preserve the integrity of its files of key organizational and transactional documents. Critical to MCHT's tracking of its holdings, is a cloud-based Land and Stewardship application/database, which lists holdings and relevant information about their acquisition and management. Original documents, when they exist in paper form, unless recorded at the Registry of Deeds, are maintained in a fireproof filing cabinet in the Topsham office. Multiple "copies" of key records are maintained in either hard copy or electronic form in redundant locations for working use and to ensure reliable access and re-creation in the event of unanticipated loss. The database is hosted in the cloud on Microsoft's Azure Platform. It backs-up to the cloud daily.

As detailed below, MCHT has instituted a system of fully electronic back-up files. MCHT conducts its operations at three office locations: the main office at Topsham, and two field offices in Mount Desert Island and Whiting. The manager of Aldermere Farm, an MCHT Preserve also performs stewardship work and maintains duplicate records as required. Any essential reporting is also scanned with copies forwarded to the Topsham office for electronic backup.

A. Conservation Transaction and Stewardship Records

i. Original Conservation Transaction and Stewardship Documents

Originals, of conservation transaction and stewardship documents for properties on which MCHT holds an interest are kept in MCHT's principle office in Topsham in a fireproof metal & concrete file cabinet, in separate folders noting their status as Original Documents. These include:

- Original deeds; easements; easement amendments, subordinations. Since these are recorded, and a matter of public record we occasionally keep only copies in the fireproof safe. Original surveys and appraisals, appraisal summaries are filed here.
- Original Title Policies and Title Reports;
- Original Baseline Documentation Notebooks, including original maps and photographs;
- Original Easement Monitoring Reports since 1997;
- Original Fee Lands Monitoring Reports since 2004;
- Originals of critical easement landowner correspondence for stewardship such as notices to Holder, discretionary approvals, notices of non-compliance;
- Other original legal agreements, including purchase contracts, options, leases, promissory notes, and mortgages.

These records are maintained by Land Protection staff and the Stewardship Assistant. Original records may not be removed from these folders without the permission of the Director of Stewardship, General Counsel, or Director of Land Preservation, and must be returned promptly. Only copies designated for field use may leave the premises.

ii. Other important documents for Conservation Transactions and Stewardship

The following Original Conservation Transaction and stewardship documents are kept in various locations, other than the fireproof safe, with duplicates and working or back-up copies kept as noted. If the originals are electronically derived and signed (where applicable) they may be filed electronically or as a paper copy depending upon how they are used and backed up electronically.

- Appraisals, appraisal summaries are kept in a shared project file for stewardship daily use. Duplicate originals are available from appraisers. As of April 1, 2009, MCHT scans appraisals or appraisal summaries and saves them electronically on the local server(s) which are backed up daily to offsite locations in the cloud (Microsoft Azure) and/or other offices.
- Monitoring Notebooks for all dates and Easement Monitoring Reports before 1997 are kept in a set of notebooks in Director of Stewardship's office, with duplicate sets with stewardship field staff member's offsite office.

- Grant Agreements from funding entities are kept in a filing cabinet in the Development Department's offices, with originals held by the granting agency, and copies in the shared project file.
- Natural Resource Inventories and Land Management Plans are kept in the shared project file with electronic copies.
- Critical landowner correspondence for project development is electronically stored in a shared project file for stewardship use. Since 2009, critical landowner correspondence is backed-up with electronic copies.
- Gift acknowledgements and Form 8283s are electronically stored by development staff in a shared completed project file.

iii. Duplicates and Working or Backup Copies of Originals kept in the fireproof filing cabinet.

- Copies of Deeds; easements; easement amendments, subordinations

All deeds, easements, amendments and subordinations have been digitally scanned and stored in a shared common drive on the Topsham server, which is backed up daily to the cloud and/or other Maine Coast Heritage Trust offices. MCHT also has access to electronic images and certified copies of all MCHT deeds, easements and amendments of either deeds or easements, showing all necessary signatures recorded at the Registry of Deed in the county in which the land is situated. In addition, Stewardship keeps paper copies of the same in its working files and monitoring notebooks.

- Duplicate Baseline Documentation Notebooks, including maps and photographs;
- Copies of Critical easement landowner correspondence for stewardship, such as notices to Holder, discretionary approvals, monitoring reports, notices of non-compliance;
- Copies of Title Policies and Title Reports;
- Copies of Fee Property monitoring reports

Stewardship keeps paper working copies of Baseline Documentation, including copies of maps and photographs, together with copies of monitoring reports, and critical easement landowner correspondence in "monitoring notebooks" at its Topsham office location. Duplicate

“monitoring notebooks” are also maintained by the appropriate regional stewardship person. Beginning in 2004, fee lands monitoring reports have also been scanned and stored digitally in a shared common drive on the Topsham server, as well as our shared land and stewardship database which is backed up daily to the cloud. This provides secure offsite storage. Stewardship staff also keep copies of critical landowner correspondence, such as notices, approvals, acknowledgements of notice, and notices of non-compliance, in the monitoring notebooks for the particular property, and scans them, saves them to local server(s), that are backed up daily. Land Protection staff also scan and file digital copies of all title policies and title reports in the shared common drive, and redundant paper copies of the same are stored in the shared project files in the office of the responsible project manager.

- Copies of Gift acknowledgements and Forms 8283; MCHT keeps working copies of gift acknowledgments and IRS Form 8283 signed by MCHT as holder of conservation easement or owner of gifted fee lands, in the shared project file for each project. Since 2007, all items in the shared project file are digitized, saved to local server(s), and backed up offsite daily. Gift acknowledgements and 8283 forms are saved in a shared project file stored on a server which is backed up daily to the cloud (Microsoft Azure).

- Copies of other legal agreements, including purchase contracts, options, leases, promissory notes, and mortgages. Mortgages are recorded at the local registry of deeds. MCHT does not consider interim drafts of agreements and easements to be essential to the defense of its rights, since final originals are available and control in any event. MCHT retains critical information on land projects and property management in its MCHT Land-Stew Data Base, which is stored and backed up in Microsoft’s Azure Platform in the cloud.

- **Financial Operations Records**

As a public charity and an organization responsible for easement defense in perpetuity, MCHT must manage its finances and assets in a responsible and accountable manner. To that end, it is the policy of MCHT to maintain complete, accurate and credible documentation of its financial management activities.

MCHT staff will follow generally accepted accounting principles to ensure clear and credible financial records. Additionally, it is crucial that an internal control system is established and followed to prevent misappropriations and to inspire confidence. To that end, an annual independent audit by a certified public accountant is performed. The auditor's reports are made available to funders, members, and donors.

The types of financial records maintained by the Staff Accountants under the supervision of the Director of Finance and Administration include MCHT's accounting software (Financial Edge); monthly, quarterly, and annual reports; balance sheets; budgets; payroll; bank statements and cancelled checks; invoices/support for payables; copies of checks deposited. The Financial Edge software is stored and backed up on the Blackbaud Hosted Server. Other financial reports are stored on our local server with daily backups to offsite locations in the cloud (Microsoft Azure).

Access to these records is limited to the Director of Finance and Administration, Staff Accountants, the President and the Board of Directors. Specific reports that do not contain confidential information will be made available to staff as needed. The accounting software and financial reports are password protected.

Hard and/or electronic copies of all financial data and related reports are maintained in accordance with the record retention schedule reflected in Section IV.

B. Personnel Records

Personnel files contain each employee's personal and work-related information. Personnel records are maintained for each employee and are filed confidentially in a locking file cabinet. Access to personnel files is limited to the Human Resource Manager, Director of Finance & Administration and the President. Employees will be given access to their individual personnel files upon written request as required by current employment law regulations. Electronic copies of personnel records are available only to the President, Director of Finance & Administration and the Human Resource Manager. These electronic personnel records are password protected & stored on our local server with daily backups to the cloud (Microsoft Azure).

C. Fundraising Records

As a public-supported charitable organization, MCHT is committed to raising funds in an ethical and accountable manner. Quality recordkeeping of the fundraising program will demonstrate that MCHT accurately represents its claims and intended use of funds, and uses restricted funds as specified by donors. To that end, it is the policy of MCHT to maintain accurate and complete records regarding fundraising activities. Fundraising records are maintained on the Raiser's Edge database, which is hosted and backed up by

Blackbaud hosting. The Director of Development is the custodian of Fundraising Records. All of MCHT's computerized donor records are maintained on servers with firewall protection.

D. Administrative Records Management

In order to practice sound business procedures, it is the policy of MCHT to securely maintain records of its business activities, board meetings, and office administration. It is also MCHT's policy to diligently protect and secure all digital records and the organization's computer systems through use of current and complete security tools and equipment. Administrative records are maintained on the Topsham office server, Microsoft cloud services (Azure, One Drive, Teams, Office 365) and Citrix Sharefile/Citrix Files. This includes all archived email, GIS data, public and private data folders and all lands/stewardship files. GIS data is now processed and saved on Amazon Web Services, where MCHT hosts ArcGIS. Current organizational policies and procedures manuals are maintained at MCHT's Topsham office, with digital backup. Copies of annual Financial Audit Reports, IRS Form 990 Reports, and annual filings with the State of Maine are maintained in digital form on the Topsham server. Duplicates of Board Packets and Board Meeting Minutes are kept at the Topsham and MDI locations. Minutes of committee meetings are kept by the respective committee chair, with copies held by the staff member assigned to work with each committee. Minutes of Conservation Limited Development, LLC., an entity that is wholly owned by MCHT, are filed in a shared drive on the server which is backed up daily to the cloud.

III. DIGITAL BACKUP

MCHT maintains a back-up system for all digital data. The purpose of this system is:

- to create reliable, retrievable data in the case of computer malfunctions, malware, ransomware or other hacking activity;
- to create copies for historical purposes, since it is physically unmanageable to archive every document;
- to preserve digital copies of physical documents and photographs that may deteriorate over time.

Data is backed up continuously, twenty-four hours a day, 365 days a year. For back-up purposes MCHT utilizes Azure files, Citrix Sharefile and cloud-based Software as a Service Backupify. Backupify is used to create backups of all Office 365 data – Exchange-Outlook mail, OneDrive, SharePoint and Microsoft Teams data. This happens automatically as changes happen with the cloud version able to move back through multiple revisions.

IV. RECORD RETENTION SCHEDULE

It is the policy of MCHT to retain files as follows:

Indefinitely

- Audited Financial Statements
- Capital stock and bond records
- Board of Director and Committee Minute books
- Articles of Incorporation, By-Laws
- Form 990 tax returns
- Supporting documentation (e.g. invoices, closing statements, cancelled checks, etc.) for the purchase and/or disposal (e.g. bill of sale) of assets (equipment, land, investments, etc.) while still owned
- IRS determination as 501(c)(3)
- Lease Agreements for offices while occupying
- Automobile and Boat Titles while still owned
- Promissory Notes, mortgages and other security instruments while active
- Board documents authorizing conservation transactions (Board Package, Minutes, Board Resolution)
- Fee deeds; easements; easement amendments, easement acknowledgements;
- Transfer deeds, for easements and fee transferred to government or another land trust
- Waivers; subordinations
- Other legal agreements, including purchase contracts, options, rights of first refusal, grant agreements
- Title reports and policies, Form 8283s, appraisals, appraisal summaries
- Baseline documentation reports
- Fee Property monitoring condition reports
- Easement monitoring reports
- Correspondence with easement landowners (including correspondence in preparation for and following site visits and enforcement correspondence).
- Land management plans

For Four Years

- Accident reports and claims for settled cases
- General Ledgers
- Accounts payable and receivable ledgers
- Cancelled checks/Bank Statements

- Bank Reconciliations
- Bank Deposit Slips & Related Support (copies of checks/wires received w/ documentation for intended use)
- Donor contribution acknowledgements
- Cancelled stock and bond certificates
- Contracts and leases that have expired
- Payroll tax returns and related records (e.g. time sheets, wage adjustments, etc.)
- Expired option records
- Notes receivable ledgers
- Correspondence, except that correspondence between MCHT and landowners relevant to recorded conservation easements shall be kept indefinitely.
- Employment applications
- Employment personnel records (after termination)
- Expired Insurance policies

Destruction of financial records after the prescribed holding periods expire shall be completed under the direction of the Director of Finance & Administration. Expired business records shall be burned or shredded to ensure the privacy of records.