



DOCUMENT RETENTION AND DESTRUCTION POLICY

Document Destruction

The Document Retention and Destruction Policy identifies the record retention responsibilities of staff, volunteers, members of the board of directors, and outsiders for maintaining and documenting the storage and destruction of the organization's documents and records.

The organization's staff, volunteers, members of the board of directors, committee members and outsiders (independent contractors via agreements with them) are required to honor the following rules:

- a.* Paper or electronic documents indicated under the terms for retention in the following section will be transferred and maintained by the Compliance Officer and/or the Secretary;
- b.* All other paper documents will be destroyed after three years;
- c.* All other electronic documents will be deleted from all individual computers, data bases, networks, and back-up storage after one year;
- d.* No paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation (check with legal counsel or the human resources department for any current or foreseen litigation if employees have not been notified); and
- e.* No paper or electronic documents will be destroyed or deleted as required to comply with government auditing standards (Single Audit Act).

Record Retention¹

The following table* indicates the minimum requirements and is provided as guidance to customize in determining your organization's document retention policy. Because statutes of limitations and state and government agency requirements vary from state to state, each organization should carefully consider its requirements and consult with legal counsel before adopting a Document Retention and Destruction Policy. In addition, federal awards and other government grants may provide for a longer period than is required by other statutory requirements.

¹* Adapted from National Council of Nonprofits.

| Type of Document | Minimum Requirement |
|---|---------------------|
| Accounts payable ledgers and schedules | 7 years |
| Audit reports | Permanently |
| Bank reconciliations | 2 years |
| Bank statements | 3 years |
| Checks (for important payments and purchases) | Permanently |
| Contracts, mortgages, notes, and leases (expired) | 7 years |
| Contracts (still in effect) | Contract period |
| Correspondence (general) | Permanently |
| Correspondence (legal and important matters) | Permanently |
| Correspondence (with customers and vendors and Donors) | Permanently |
| Deeds, mortgages, and bills of sale | Permanently |
| Depreciation schedules | Permanently |
| Duplicate deposit slips | 2 years |
| Employment applications | 3 years |
| Expense analyses/expense distribution schedules | 7 years |
| Year-end financial statements | Permanently |
| Insurance records, current accident reports, claims, policies, and so on (active and expired) | Permanently |
| Internal audit reports | 3 years |
| Inventory records for products, materials, and supplies | 3 years |
| Invoices (to customers, from vendors) | 7 years |
| Minute books, bylaws, and charter | Permanently |
| Patents, Intellectual Property, and related papers | Permanently |
| Payroll records and summaries | 7 years |
| Personnel files (terminated employees) | 7 years |

| Type of Document | Minimum Requirement |
|--|---------------------|
| Retirement and pension records | Permanently |
| Tax returns and worksheets | Permanently |
| Timesheets | 7 years |
| Trademark registrations and copyrights and licenses for the same | Permanently |
| Withholding tax statements | 7 years |
| Any other documents or data the President deems necessary to preserve | Indefinitely |
| Any other documents or data the Board of Directors deems necessary to preserve | Indefinitely |

Resources

■ *National Council of Nonprofits* www.councilofnonprofits.org

■ *BoardSource Record Retention and Document Destruction Policy—Download 4 Samples (E-Policy Sampler)* www.boardsource.org/Bookstore.asp?Type=epolicy&Item=1071

■ *Independent Sector* www.independentsector.org/issues/sarbanesoxley.html

■ *AICPA Management of an Accounting Handbook—2003 and IRS Appendix Document* www.cpa2biz.com/AST/Main/CPA2BIZ_Primary/PracticeManagement/PracticeAdministration/PRDOVR-PC-090407/PC-090407.jsp

Guide to Record Retention Requirements in the Code of Federal Regulations: Contact the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402-9325 or from CCH, Inc. at www.onlinestore.cch.com

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