

# Document Retention and Destruction Policy

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## DOCUMENT RETENTION AND DESTRUCTION POLICY

### **I. Purpose**

This policy provides for the systematic review, retention and destruction of documents received or created by IMPACT HOPE (hereafter "the Organization") in connection with the transaction of organization business. This policy covers all records and documents, regardless of physical form (including electronic documents), contains guidelines for how long certain documents should be kept and how records should be destroyed. The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records and to facilitate the Organization's operations by promoting efficiency and freeing up valuable storage space.

### **II. Document Retention**

The Organization follows the document retention procedures outlined in Attachment A. Documents that are not listed but are substantially similar to those listed in the schedule will be retained for the appropriate length of time.

### **III. Electronic Documents and Records**

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. 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.

### **IV. Emergency Planning**

The Organization's records will be stored in a safe, secure and accessible manner. Documents and financial files that are essential to keeping the Organization operating in an emergency will be duplicated or backed up at least every week and maintained off site.

### **V. Document Destruction**

The Organization's Executive Director 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 or comparably permanent electronic methods if stored on electronic media.

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.

### **VI. Compliance**

Failure on the part of employees or contract staff to follow this policy can result in possible civil and criminal sanctions against the Organization and its employees or contract staff and possible disciplinary action against responsible individuals. Board Treasurer will periodically review these procedures to ensure that they are in compliance with new or revised regulations.

## **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 Executive Director.
- 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 Retention**

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.

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\* 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)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
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 and related papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years