

ATTACHMENT J
DOCUMENT RETENTION AND DESTRUCTION

© 2005-2012 Standards for Excellence Institute¹

The purpose of this policy is to provide a system for complying with document retention laws, ensure that the organization retains valuable documents, saves money, time and space, protect the organization against allegations of selective document destruction, and provide for routine destruction of non-business, superfluous, and outdated documents.

Documents that should be retained and the period of retention are listed below. In general, documents that are not subject to a retention requirement should be kept only long enough to accomplish the task for which they were generated.

The **(Name of Position)** is in charge of making sure that the appropriate department head or manger is complying with document retention schedule. On January 15th of each year **(or six months after the end of the fiscal year, or at the start of each fiscal year)** each responsible department head or manger will submit to **(Name of Position)** a list of the documents that have been sent to storage or destroyed. The list will identify the documents with enough specificity that one outside the department could determine which documents were stored or destroyed. Lists of documents stored or destroyed will be kept by **(Name of Position)**.

Our organization has a legal duty to retain relevant documents which it knows or should have known are relevant to any legal action. Such documents also include those that could lead to discovery of admissible evidence. Accordingly, all document destruction is automatically suspended when a lawsuit, claim, or government investigation is pending, threatened or reasonably foreseeable. In such a case, paper document destruction, as well as electronic destruction must cease immediately. In the case of electronic destruction, the system administrator is responsible for ensuring that any automatic destruction program is disabled and reviewing all electronic systems that contain documents potentially relevant to the litigation or claim.

All documents, including electronic documents, that are no longer relevant to the organization's business, should be destroyed every 60 days. Do not retain drafts of any documents that have been finalized. Personal notes should not be kept after they are no longer needed.

In accordance with the Nonprofit Organization's policy, the following documents must be retained or destroyed as set forth in the schedule below. Please review the schedule and any applicable documents in your possession on an annual basis to ensure compliance with this schedule. Your supervisor will direct the deposit or filing of all documents that must be retained, as well as the destruction of documents that must be purged.

After the retention period has run, you should give deliberate consideration to the type of information retained, and further consider methods of destruction of that data so that when it is appropriate to dispose of the data or documents, the correct method may be employed. For example, when highly sensitive information is maintained, a more secure destruction method may be appropriate, and your document destruction policy may outline those options. In the case of highly sensitive information, the

¹ Permission granted for use by nonprofit organization members of the Standards for Excellence Institute.

nonprofit may use any of the following methods to ensure destruction, and safeguard privacy by ensuring that data cannot be recovered:

Hard Drives – typically found in DVRs, NVRs and PCs: [Digital Video Recorders, Network Video Recorders, Personal Computers]

- Remove hard drive from equipment
- Puncture case completely piercing disk platter in at least two (2) places
- Recycle destroyed drive as scrap metal

Magnetic Recording Tape Cassettes – typically found in VHS or VCR recorders: [Video Home System, Video Cassette Recorder]

- Remove tape cassette from equipment
- De-gauss magnetic media
- Crush tape cassette
- Recycle destroyed tape and cassette as scrap plastic

Paper-based documentation – typically obsolete site plans, correspondence, reports:

- Remove document from active file
- Cross-shred document
- Recycle shredded waste as scrap paper.

There may be occasions where less extreme measures are adequate, and a simple document shredding or hard drive reformatting are appropriate. But it is advisable to consider the options in advance, so that a plan is in place for proper destruction when the time comes.

NOTE: *Neither this policy nor the accompanying schedule sets forth the means of storing documents during the retention period. You must consider how best to accomplish this task for your organization, e.g. consider whether to store information on paper, disks, microfilm, etc. and whether to store on-site or off-site.*

FINANCIAL DOCUMENTS	MINIMUM RETENTION REQUIREMENT
<p>How long should you keep the documents listed below? In the nonprofit world, the answer is less clear, as most of the document retention statutes are directed at profit-making corporations or those that issue securities. As a general rule, you should keep the below listed documents until the statute of limitations runs on the item of income or deduction for that particular return. For most purposes, the minimum limitations period is three years after the date the return is due or filed, whichever is later, as that is when the limitations period generally runs for an IRS audit. However, in light of the Sarbanes-Oxley Act that requires auditors to keep audit records for 7 years following a final audit report, it may be prudent to keep most financial documents for 7 years. Remember, many of the same records listed below will also be used to monitor programs and prepare statements for funders. Accordingly, you should check your grant applications, awards and contracts to determine reporting requirements and subsequent document retention periods.</p>	
<p>Accounts Payable Ledgers and Schedules</p>	<p>5Y</p>

Audit reports	7Y (many organizations keep these records permanently)
Bank reconciliations	5 Y and/or until all federal and state audit requirements have been met.
Bank statements	5Y
Checks (for important payments and purchases)	5Y or 4Y after item purchased is no longer owned
Correspondence – customers/vendors	Depends on issue in correspondence and whether there is a contract; if potential litigation-3 Y until threat of litigation has passed; if contract claim is possible, 4Y or until potential claim has dissipated
Depreciation schedules	While active + 3Y
Expenses and Purchases- Documentation can include: cash register tapes, account statements, canceled checks, invoices, credit card sales slips. Separate deductible expenses in the event organization pays unrelated business income tax.	5Y
Gross Receipts- amounts received from all sources. Documents that support gross receipts include: cash register tapes, bank deposit slips, receipt books, invoices, credit card charge slips, and Form 1099-MISC	5Y
Year-end financial statements	If Audit Report is generated by organization-7Y; if no audit is conducted and Year end financial report is used in place of audit-Permanently
HUMAN RESOURCE DOCUMENTS	MINIMUM RETENTION REQUIREMENT
<p>Subject to state law, a former employee generally has a limited time to file an EEO claim. Employees under contract may have up to four years to file a claim. Other types of employment claims, for example defamation, intentional infliction of emotional distress, and wrongful discharge are subject to a three-year statute of limitations.</p> <p>If the statute governing the record specifies no time limit, then you can usually apply the Uniform Preservation of Private Business Records, which specifies a three-year time limit for preserving documents. The Office of Federal Contracts (OFCCP) requires federal contractors to preserve most employment records for 2 years.</p> <p>To make things easier for the document retainers, you may want to adopt a uniform guideline that will work for almost all employment documents, such as four years, with exceptions for longer periods of time.</p>	
Affirmative Action Plan and Related Information	Subject to state law

Age Discrimination in Employment Act	Records relating to discrimination charges-Until final disposition of the charge
<i>Applications for Employment and Résumés-For those who were not hired</i>	Age Discrimination in Employment Act (ADEA), Title VII and ADA-1 Y from date of submission; OFCCP large contractor and schools-2 Y; driving records are regarded as hiring records and should be kept for same period of time.
Unsolicited Applications for Employment	Answer is unclear; recommend same as above; online submissions of resumes may be discounted but no definitive ruling in this area.
EEO Claims	While active, plus three years.
EEO Reports	As long as current. If an OFCCP contractor-1Y. If OFCCP contractor with more than 150 employees and \$150,000 in contracts then must keep for 2 Y.
Employee Benefit Plans	Records relating to ADEA-1 Y after termination of plan. Records relating to payment of premiums while on FMLA leave- 3 Y after final payment was made for premiums. Records relating to data mentioned in the Summary Plan Description-6 Y after data and description were published to employees.
ERISA Records relating to Welfare and Pension Benefits	6 Y
Employment Tax Records and Returns	4Y after the date the tax becomes due or is paid.
Employment Documents Relevant to Discrimination or other Statutory Claims	Title VII-The Act itself only requires the employer to keep records until final disposition of the charge; recommend that records be kept at least 1Y after charge is resolved.
Employment Turn-downs (Rejection Letters)	1Y after letter is sent.
FMLA Leave Documents	3Y after end of leave period.
I-9s	3 Y from date of hire or 1 Y after termination, whichever is later. Many experts recommend keeping these forms separate from the employee's personnel file, but such action is not required by law.
Interview Information and Reference Checking Notes	1 Y after job is filled under ADA, ADEA, and Title VII; References-1 Y after record is made.
Job Advertisements and Job Requests Made to Agencies	1Y after placement of advertisement or request for an employee-ADEA.

Job Descriptions	2Y after record is made under Equal Pay Act.
OSHA and MOSH Logs	5Y for OSHA Form 200, 300 and 301 and OSHA or MOSH 101; legally required medical exams and toxic exposure records for duration of the individual's employment, plus 30 Y.
Personal Medical Information Make sure that no medically related information is in an employee's personnel file; all such information should be kept in a separate file.	1 Y after termination; OSH Act Records-See above. Medical Certifications: 3Y after certification is obtained. Medical information includes all medical records, physical examinations, workers comp claims, drug and alcohol testing, medical forms requesting health information for insurance purposes.
Payroll Records and Summaries	3Y from the last date of entry 4Y for FICA-related information 4Y for FUTA-related information
Personnel Files (terminated employees)- Should include employment application, discipline reports, evaluations, salary history, etc.	7Y, though experts differ on the time period for these records as there is no specific law regulating retention periods for most of the documents kept in personnel files; some recommend as few as 4Y after employee terminates; ADEA, ADA, FLSA and FMLA require 3Y for basic employment info.
Policies, Guidelines and Employee Handbooks	For as long as they are current and at least 3Y after they are outdated.
Recruiting Information- Advertisements, Job Postings, Interview information, Applications for Employment when not hired.	1 Y after record is made.
Retirement and Pension Records	During the time the Plan is active plus 6 years after discontinuance of the Plan. Other experts recommend keeping such documents permanently.
Timesheets	3Y from last date of entry. Other experts recommend keeping for 7Y.
Unemployment Insurance Documents-DLLR Forms, Quarterly Contribution Report and Employment Report	Subject to state law.

MISCELLANEOUS DOCUMENTS	MINIMUM RETENTION REQUIREMENT
Contracts	4Y after contract term has expired
Correspondence – general	3Y
Correspondence – legal/important	Keep with legal issue file whether lawsuit, insurance claim, etc. then retain according to that retention requirement.
Grant applications and Awards	Life of grant, plus 3Y after expiration of grant; grant itself may have separate record-keeping requirements that organization must adhere to.
Insurance Records, Accident Reports, Claims	Workers Compensation Claims-10Y after close of matter Long-term Disability-10 Y after return to work, retirement or death
Insurance Policies (expired)	3Y if a Claims-Made policy; permanently, if the it is an Occurrence policy
Internal Audit Reports	Generally retain most recent 5Y or until resolved + 5 years.
Inventories of Products, Materials, Supplies	Generally the most recent two inventories and/or until all audit requirements have been met
DOCUMENTS THAT SHOULD BE KEPT PERMANENTLY	
Minute Books	
Charter (Articles of Incorporation)	
Bylaws and all Amendments	
Form 990 and any Schedules filed with the form, Form 990-T Exempt Organization Income Tax Form (if your organization files such a form) Note: this document is subject to the public disclosure regulations for up to three years after the due date or the filing date of the return.	
IRS Determination Letter Granting Organization 501(c) Status. Note: this document is subject to the public disclosure regulations.	
Bylaws and all Amendments	
1023 Application for Tax-Exempt Status , all Supporting Documents submitted with the form, and all documents that the IRS requires the organization to submit. Note: these documents are subject to the public disclosure regulations.	

Trademark Registrations and Copyrights- Life of trademark – there is no legal retention requirement but should keep for the lifetime of the trademark plus applicable statute of limitations (6Y).

Patents, Related Papers. Life of patent + 6Y

Deeds, Mortgages, Notes and Leases.

Combined Registration Application.