

ADOPT: Document Retention Policy

In the previous Board meeting the need for a document retention policy was mentioned as a priority project.

If you need more reasons for having a document retention policy, Kansas State University, in the following article, gives a very practical insight.

A document retention schedule acts as an organization's legal road map for retaining and destroying records; in other words, it clearly defines what documents, both digital and paper formats, need to be maintained and for how long.

A retention policy also helps to ensure that businesses comply with state and federal laws. Here are six reasons why you should consider creating a document retention policy:

Reduce clutter: Too much clutter in the workplace can reduce productivity and increase employee stress. When you organize your information, you only save what is truly useful. A document retention policy also helps businesses reduce their onsite and offsite real estate footprints and costs. Likewise, the same policy can help reduce your digital footprint.

Increase efficiency: Over-retaining records or destroying them too soon can result in numerous legal issues. A document retention policy will detail how to organize documents for storage, retrieval and record-keeping, making locating and retrieving records much easier.

Capitalize on cost savings: There are costs related to maintaining unnecessary records. Employees waste time and money looking for documents, and there are storage costs for office space, filing cabinets, hard drives and cloud storage.

Adhere to compliance regulations: Failure to comply with state and federal privacy laws by destroying or not maintaining records before the end of a required retention period can result in penalties. Your document retention policy should reflect all relevant compliance rules and other regulations.

Manage and access control: Several laws, such as the Health Insurance Portability and Accountability Act, or HIPAA, or Family Educational Rights Privacy Act, or FERPA, contain specific provisions for who may access information and how it may be used. Generally, information should be made available only on a need-to-know basis.

Improve security and data protection: One of the most valuable components of any document retention schedule is destruction. An organization should shred and delete any records containing confidential, personal or financial information when needed. Also, organizing your documents according to a schedule will help ensure that all sensitive material is stored securely.

The Committee recommends that Document Retention Policy be adopted.

DOCUMENT RETENTION POLICY

GREEN VALLEY VILLAS WEST CONDOMINIUM ASSOCIATION

I. Purpose

This Document Retention and Destruction Policy (“Policy”) provides for the systematic review, retention and destruction of documents received or created by Green Valley Villas West Condominium Association (the “HOA”). This Policy contains guidelines for how long certain documents should be kept, how secure documents need to be handled, and how documents should be destroyed. The Policy is designed to comply with federal and state laws and regulations, to eliminate accidental or innocent destruction of records and to facilitate the HOA’s operations by promoting efficiency and freeing up valuable storage space.

II. Document Retention

The HOA’s documents will be kept for the length of time indicated in the **Schedules of Document Retention** (Alphabetical and Categorical). The schedule is using simplified time frames resulting in only three groupings: 5 year, 10 year, and permanent. Documents requiring special handling (such as confidential documents) are marked as SECURE.

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files that fall into one of the document types on the schedule will be maintained for the length time indicated. E-mail messages that need to be retained will be printed in hard copy and kept in the appropriate file or saved as a PDF file to the appropriate folder.

Documents that are not listed below but are substantially similar to a type of document that is listed, will be kept for the length of time that is indicated for the substantially similar document. Correspondence, internal memoranda, and email should be retained for the same period as the document they pertain to or support. If a record meets the description of more than one category, then the category requiring a longer retention period under this Policy shall be applicable to such record.

III. Document Destruction

Records should be maintained only for the recommended retention period. Records no longer required to be kept for business purposes should be destroyed by shredding/destruction on company premises, or by contracting with a document shredding/destruction company that can provide a certificate of shred, as appropriate. The process of shredding/destruction should only be undertaken at the direction of the General Manager.

IV. Format, Security, and Accessibility of Records

All records which are to be retained permanently will be stored in both paper and electronic format. Procedures for digitizing all records for retention should be implemented as soon as possible. Paper copies may be kept as needed. Records which are considered confidential such as Executive Meeting Minutes, Legal Advice, or Employee Records shall be secured in a locked cabinet/room with limited access and/or electronically stored in a password-protected or limited access location. Any record which can legally viewed by an HOA Member will be as easily accessible as possible.

V. **Emergency Planning**

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

VI. **Litigation**

Each Board member, officer, volunteer, and employee of the HOA ("Personnel") has a responsibility to immediately notify the General Manager, if such Personnel become aware of an official governmental investigation into the HOA or a lawsuit against the HOA, which lawsuit is either commenced or appears imminent.

If the HOA receives notice of an official governmental investigation, the filing of a lawsuit against the HOA or of a lawsuit against the HOA the commencement of which is imminent, then document destruction procedures otherwise applicable under this Policy will be immediately and automatically suspended.

Document destruction will only be suspended for the documents related to the investigation or actual or potential litigation. A suspension of document destruction does not affect the length of time a document will be retained following the termination of the suspension. Instead, after the suspension is lifted, documents will be destroyed after the original required retention period is met, including any time for which a suspension was in place. However, such item may be required to be retained for a longer period if required by the resolution of the litigation or, in connection with such suspension, such document is properly reclassified as either a *Litigation Resolution Related* document or a *Litigation Claim Related* document and such reclassification lengthens the time for retention of such document.

VII. **Approval, Review and Compliance**

The Board of the HOA is the approving authority for this Policy and is responsible for revising the Policy. The Board of Directors of the HOA will review this Policy as often as required by legal, regulatory, or HOA governance and, in all cases, at least every two years (odd years).

The failure of a member of Personnel to follow this Policy could result in possible civil and criminal sanctions against the HOA and members of Personnel and could also result in disciplinary action by the HOA against responsible members of Personnel.

All questions about the retention and destruction of specific records or departmental responsibility for maintaining certain types of records should be referred to the General Manager.

VIII. **Authority**

This policy is based on the Nonprofit Corporation Act A.R.S 10-11601 Corporate Records and The Arizona Condominium Act A.R.S 33-1258. The General Manager has the authority to develop procedures in order to implement this policy. The General Manager may add necessary documents and their retention to the schedules as needed and update any retention timeframes to comply with State or Federal statutes without Board approval.

Alphabetical Document Retention Schedule

DOCUMENT	RETENTION
Accident Reports and Worker's Compensation Records SECURE	Permanent
All Personnel Records (records relating to promotion, demotion or discharge) SECURE	10 Years
Annual Reports to Secretary of State/Attorney General	Permanent
Appraisals	Permanent
Architectural Requests	Permanent
Articles of Incorporation	Permanent
Audit and controversy records	Permanent
Ballots, enveloped, and related materials, including sign-in sheets	5 Years
Bank Deposit Slips	10 Years
Bank Reconciliations	10 Years
Bank Statements	10 Years
Board Meeting Minutes	Permanent
Board Policies/Resolutions	Permanent
Business Expense Records	10 Years
By-laws	Permanent
Cash Receipts	5 Years
Charts of Account	Permanent
Check Registers	Permanent
Committee Reports & Minutes	Permanent
Compliance Documents SECURE	5 Years after leaving
Construction Documents	Permanent
Copyright Registrations	Permanent
Correspondence (general)	5 Years
Covenants, Conditions, and Restrictions (CCR)	Permanent
Credit Card Receipts	5 Years
Depreciation Schedules	Permanent
Donor Records and Acknowledgement Letters	10 Years
Earnings Records	10 Years
Electronic Fund Transfer Documents	10 Years
Employee identification records and information SECURE	Permanent
Employment and Termination Agreements SECURE	Permanent
Employment Applications SECURE	5 Years
Environmental Studies	Permanent
Executive Board Meeting Minutes SECURE	Permanent
Federal and State Information Returns (e.g., Form 990)	Permanent
Final Annual Audits and Financial Statements	Permanent
Financial Records/Schedules Used in Preparation of Tax Returns	10 Years
Fire Inspection Reports	5 Years
Fixed Asset Records	Permanent
FMLA Agreements SECURE	5 Years
Garnishment Records SECURE	10 Years
General Contracts	10 Years

Alphabetical Document Retention Schedule

General Ledgers and Journals	Permanent
Grant Applications and Contracts given or granted	Permanent
Grant Applications and Contracts received	10 years after Completion
Grievance Documents SECURE	10 Years after leaving
Historically Significant Documents of any type	Permanent
Horizontal Property Regime	Permanent
I-9 Forms	5 Years after Termination
Insurance Policies	Permanent
Invoices	10 Years
IRS Application for Tax-Exempt Status (Form 1023)	Permanent
IRS Form 1099s, W-8 and W-9	Permanent
IRS Forms W-2 and W-4; State Form A-4 SECURE	10 years after termination
Job Ads	5 Years
Journal Entries	10 Years
Leases	10 Years after expiration
Ledgers (accounts payable & accounts receivable)	5 Years
Litigation Claim Related SECURE	10 years following resolution
Litigation Resolution Related SECURE	Permanent
Manuals: Office, Board, Association, and Employee	Permanent
OSHA Documents	5 years after expiration
Owner information documents SECURE	5 Years after leaving
Payroll Registers SECURE	Permanent
Payroll Tax Returns (IRS Forms 940 and 941)	10 years after termination
Petty Cash Vouchers	5 Years
Purchase orders	5 Years
Real Estate Documents	Permanent
Records that document tax-exempt status	Permanent
Requisitions	5 Years
Retirement and Pension Plan Documents SECURE	Permanent
Salary Schedules SECURE	5 Years
Sales contracts	5 Years
Sales Records (box office, concessions, gift shop)	5 Years
Severance agreements and evidence of payments SECURE	10 years after final payment
Shipping & receiving reports	5 Years
State Tax Exemption Documents (e.g., income tax, sales tax, property tax, etc.)	Permanent
State Unemployment Tax Records SECURE	Permanent
Stock and Bond Records	Permanent
Time Cards SECURE	10 years after termination
Trademark Registrations	Permanent
Unclaimed wages SECURE	10 years
Volunteer and Client Records SECURE	10 Years
Vouchers for Payments to Vendors, Employees and Others	5 Years

Categorical Document Retention Schedule

GROUP	DOCUMENT	RETENTION
Accounting and Tax	Audit and controversy records	Permanent
Accounting and Tax	Business Expense Records	10 Years
Accounting and Tax	Cash Receipts	5 Years
Accounting and Tax	Charts of Account	Permanent
Accounting and Tax	Credit Card Receipts	5 Years
Accounting and Tax	Depreciation Schedules	Permanent
Accounting and Tax	Federal and State Information Returns (e.g., Form 990)	Permanent
Accounting and Tax	Final Annual Audits and Financial Statements	Permanent
Accounting and Tax	Financial Records/Schedules Used in Preparation of Tax Returns	10 Years
Accounting and Tax	Fixed Asset Records	Permanent
Accounting and Tax	General Ledgers and Journals	Permanent
Accounting and Tax	Invoices	10 Years
Accounting and Tax	IRS Application for Tax-Exempt Status (Form 1023)	Permanent
Accounting and Tax	IRS Form 1099s, W-8 and W-9	Permanent
Accounting and Tax	Journal Entries	10 Years
Accounting and Tax	Ledgers (accounts payable & accounts receivable)	5 Years
Accounting and Tax	Petty Cash Vouchers	5 Years
Accounting and Tax	Sales Records (box office, concessions, gift shop)	5 Years
Accounting and Tax	State Tax Exemption Documents (e.g., income tax, sales tax, property tax, etc.)	Permanent
Accounting and Tax	Vouchers for Payments to Vendors, Employees and Others	5 Years
Bank	Bank Deposit Slips	10 Years
Bank	Bank Reconciliations	10 Years
Bank	Bank Statements	10 Years
Bank	Check Registers	Permanent
Bank	Electronic Fund Transfer Documents	10 Years
Donor / Grant	Donor Records and Acknowledgement Letters	10 Years
Donor / Grant	Grant Applications and Contracts given or granted	Permanent
Donor / Grant	Grant Applications and Contracts received	10 years after Completion
Donor / Grant	Volunteer and Client Records SECURE	10 Years
Employee	Accident Reports and Worker's Compensation Records SECURE	Permanent
Employee	All Personnel Records (records relating to promotion, demotion or discharge) SECURE	10 Years
Employee	Employment and Termination Agreements SECURE	Permanent
Employee	Employment Applications SECURE	5 Years
Employee	FMLA Agreements SECURE	5 Years
Employee	I-9 Forms	5 Years after Termination
Employee	Job Ads	5 Years
Employee	Retirement and Pension Plan Documents SECURE	Permanent
Employee	Salary Schedules SECURE	5 Years
Employee	Time Cards SECURE	10 years after termination
Formation and General	Annual Reports to Secretary of State/Attorney General	Permanent
Formation and General	Articles of Incorporation	Permanent
Formation and General	Ballots, enveloped, and related materials, including sign-in sheets	5 Years

Categorical Document Retention Schedule

Formation and General	Board Meeting Minutes	Permanent
Formation and General	Board Policies/Resolutions	Permanent
Formation and General	By-laws	Permanent
Formation and General	Committee Reports & Minutes	Permanent
Formation and General	Construction Documents	Permanent
Formation and General	Correspondence (general)	5 Years
Formation and General	Covenants, Conditions, and Restrictions (CCR)	Permanent
Formation and General	Executive Board Meeting Minutes SECURE	Permanent
Formation and General	Historically Significant Documents of any type	Permanent
Formation and General	Horizontal Property Regime	Permanent
Formation and General	Manuals: Office, Board, Association, and Employee	Permanent
Formation and General	Records that document tax-exempt status	Permanent
Legal, Insurance and Safety	Appraisals	Permanent
Legal, Insurance and Safety	Copyright Registrations	Permanent
Legal, Insurance and Safety	Environmental Studies	Permanent
Legal, Insurance and Safety	General Contracts	10 Years
Legal, Insurance and Safety	Insurance Policies	Permanent
Legal, Insurance and Safety	Leases	10 Years after expiration
Legal, Insurance and Safety	Litigation Claim Related SECURE	10 years following resolution
Legal, Insurance and Safety	Litigation Resolution Related SECURE	Permanent
Legal, Insurance and Safety	OSHA Documents	5 years after expiration
Legal, Insurance and Safety	Real Estate Documents	Permanent
Legal, Insurance and Safety	Stock and Bond Records	Permanent
Legal, Insurance and Safety	Trademark Registrations	Permanent
Owner Information	Architectural Requests	Permanent
Owner Information	Compliance Documents SECURE	5 Years after leaving
Owner Information	Grievance Documents SECURE	10 Years after leaving
Owner Information	Owner information documents SECURE	5 Years after leaving
Payroll and Employment Tax	Earnings Records	10 Years
Payroll and Employment Tax	Employee identification records and information SECURE	Permanent
Payroll and Employment Tax	Fire Inspection Reports	5 Years
Payroll and Employment Tax	Garnishment Records SECURE	10 Years
Payroll and Employment Tax	IRS Forms W-2 and W-4; State Form A-4 SECURE	10 years after termination
Payroll and Employment Tax	Payroll Registers SECURE	Permanent
Payroll and Employment Tax	Payroll Tax Returns (IRS Forms 940 and 941)	10 years after termination
Payroll and Employment Tax	Severance agreements and evidence of payments SECURE	10 years after final payment
Payroll and Employment Tax	State Unemployment Tax Records SECURE	Permanent
Payroll and Employment Tax	Unclaimed wages SECURE	10 years
Purchasing & Sales	Purchase orders	5 Years
Purchasing & Sales	Requisitions	5 Years
Purchasing & Sales	Sales contracts	5 Years
Purchasing & Sales	Shipping & receiving reports	5 Years