



Document Retention and Destruction Policy

Purpose of This Policy: Federal laws prohibit the destruction of certain documents, making it essential for not-for-profit organizations to have a written, mandatory document retention and periodic destruction policy. This policy helps prevent accidental or unintentional document destruction while ensuring compliance with legal and regulatory requirements. Additionally, it provides administrative personnel with clear guidelines on the proper retention periods for records, supporting organizational accountability and legal adherence.

Policy:

This policy outlines the responsibilities of staff, volunteers, board members, and external contractors regarding the retention, storage, and destruction of documents and records within the organization.

Scope:

This policy applies to all staff, volunteers, members of the board of directors, committee members, and external contractors (independent contractors engaged through formal agreements).

Policy Guidelines:

1. **Document Retention Responsibilities**
 - a. Paper and electronic documents subject to retention requirements will be transferred and maintained by the Finance Manager in accordance with the organization's retention schedule.
 - b. Documents not specifically retained will be destroyed according to the timelines outlined below.
2. **Document Destruction Schedule**
 - a. **Paper Documents:** All paper documents not explicitly required for retention will be destroyed after three years from the date of creation or last use.
 - b. **Electronic Documents:** All electronic documents not specifically required for retention will be deleted from individual computers, databases, networks, and backup storage after one year.
3. **Exceptions to Document Destruction**
 - a. Documents that are pertinent to any ongoing or anticipated government investigations, legal proceedings, or private litigation must not be destroyed or deleted until the matter is resolved.
 - b. Documents must also be retained as required by relevant government auditing standards (e.g., Single Audit Act) or any applicable legal or regulatory requirements.
4. **Compliance and Oversight**
 - a. The Finance Manager is responsible for overseeing the proper storage, retention, and destruction of documents.

b. All individuals subject to this policy must comply with the document retention schedule and ensure proper destruction or deletion of records as per the guidelines.

Enforcement:

Failure to adhere to this policy could result in disciplinary actions, including termination of contracts, as deemed appropriate by the organization.

Record Retention:

The table below outlines the minimum retention requirements for various types of documents and serves as a guide for customizing your organization's document retention policy. Since statutes of limitations and state or government agency requirements can vary by jurisdiction, it is crucial for each organization to assess its specific needs and consult with legal counsel before adopting a Document Retention and Destruction Policy.

Additionally, federal awards, government grants, and other funding sources may mandate longer retention periods than those required by state or local statutory guidelines. Organizations should ensure compliance with all applicable legal and regulatory requirements.

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
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
Correspondence (general)	2 years
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