



Aztec Downtown Association

Policy on Record Retention and Document Destruction

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Aztec Downtown Association Policy on Record Retention and Document Destruction

Purpose

In accordance with the **Sarbanes–Oxley Act of 2002** and applicable **State of New Mexico** and **San Juan County** laws, it is a criminal offense to alter, cover up, falsify, or destroy any document with the intent to impede or obstruct any official investigation or legal proceeding.

The purpose of this policy is to establish a **systematic review, retention, and destruction schedule** for documents and records created or received by the **Aztec Downtown Association** in connection with the conduct of official organizational business.

Scope

This policy applies to **all records and documents**, regardless of physical form (paper, electronic, or other formats), and applies to **all employees, volunteers, officers, board members, and contractors** of the Aztec Downtown Association.

It contains guidelines for:

- **How long specific categories of documents must be retained**
- **How and when records should be destroyed** (except when under a legal hold)

The policy is designed to:

1. Ensure compliance with **federal, state, and local laws and regulations**.
2. Prevent the accidental or premature destruction of important records.
3. Promote efficiency by freeing up valuable storage space.

Legal Compliance

The Aztec Downtown Association will retain documents in accordance with:

- **Federal law**, including the Sarbanes–Oxley Act.
- **New Mexico Statutes Annotated** (NMSA) requirements for nonprofit recordkeeping.
- **City of Aztec** and **San Juan County** codes where applicable, especially regarding public contracts, permits, and financial documentation.

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Retention Guidelines

A detailed **Record Retention Schedule** will be maintained as an appendix to this policy, specifying retention periods for categories such as:

- Governance records (e.g., Articles of Incorporation, bylaws, meeting minutes)
- Financial statements, audits, and tax returns
- Grant records and contracts
- Personnel and volunteer records
- Real estate, lease, and property documents
- Permits, licenses, and insurance policies

Destruction Procedures

When the retention period has expired and no legal hold exists:

- Paper records shall be **shredded** to prevent unauthorized access.
- Electronic records shall be **securely deleted** from all systems, including backups, in compliance with data privacy laws.
- Destruction shall be documented with the **date, method, and authorizing party** noted.

Legal Holds

If the **Aztec Downtown Association** becomes aware of:

- Any ongoing or anticipated litigation,
 - Government investigation, or
 - Official audit,
- then **all relevant records must be preserved** regardless of the retention schedule until the legal matter is fully resolved, and written clearance is provided by legal counsel.

Responsibility

The **Board of Directors** delegates implementation and oversight of this policy to the **Executive Director or designated officer**. It is the responsibility of all personnel to:

- Understand this policy,
- Follow retention and destruction procedures, and
- Report any concerns about record handling immediately.

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Approval and Review

This policy shall be reviewed at least every **three years** by the Board of Directors to ensure continued compliance with applicable laws and operational needs. Revisions require board approval and will be documented in the meeting minutes.

Document Retention

The **Aztec Downtown Association** follows the document retention procedures outlined in **Appendix A – Record Retention Schedule** of this policy.

All **correspondence** and **supporting materials** related to the listed documents shall be retained with the primary documents.

If a document is **not specifically listed** in the retention schedule but is **substantially like** an existing category, it will be retained for the same period as the comparable document type.

All documents, regardless of format (paper, electronic, audio, or visual), must be stored securely and preserved in accordance with **federal, State of New Mexico, San Juan County, and City of Aztec** legal requirements, as well as applicable grant and contract obligations.

Electronic Documents and Records

Electronic documents shall be **retained in the same manner and for the same duration** as their paper counterparts, in accordance with **Appendix A – Record Retention Schedule**.

This includes, but is not limited to:

- Emails and attachments
- Word processing files, spreadsheets, and PDFs
- Digital photographs, videos, and audio recordings
- Records of online donations or financial transactions

Any electronic file that falls within a listed document type in the retention schedule must be **maintained for the full retention period** assigned to that category.

If an email or other electronic message must be preserved for legal, financial, or operational purposes, it shall either:

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1. Be printed and filed in the appropriate paper file, **or**
2. Be moved to a designated **archived electronic folder** on the association's computer system.

Data Protection Measures:

- Backup copies of electronic records shall be created and maintained in accordance with the association's data backup policy.
- Backup and recovery procedures will be **tested on a regular basis** to ensure files can be restored in the event of data loss.

Access to electronic records will be limited to authorized personnel to maintain confidentiality and security.

Emergency Planning

The **Aztec Downtown Association's** records shall be stored in a **safe, secure, and accessible manner** always.

Essential operational documents and financial files necessary to keep the Association functioning in the event of an emergency shall be:

- **Duplicated or backed up** at least once per week.
- Maintained in a secure **off-site location** within reasonable proximity to Aztec, New Mexico.

The **Executive Director (or acting manager)** and at least **two officers of the Board** will always know the exact location of the off-site files and will have full access to them when needed.

This plan ensures continuity of operations and compliance with all applicable **federal, state, and local recordkeeping requirements** in the event of:

- Natural disasters (e.g., fire, flood, severe weather)
- Power or system failures
- Other emergencies that could disrupt access to primary record storage
- **Document Destruction**
- **Aztec Downtown Association's** [manager/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.

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- 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.

Compliance

Failure by any employee, volunteer, officer, or contractor of the **Aztec Downtown Association** to comply with this policy may result in **civil and criminal penalties** against both the Association and the individuals involved.

Such violations may also lead to **disciplinary action**, up to and including termination of employment or removal from board or volunteer positions.

The **Executive Director (or acting manager)**, **President**, and **Treasurer** shall periodically review these procedures—at least once every three years, or more frequently as needed—with **legal counsel** or the organization's **certified public accountant**.

This review will ensure that the policy remains in compliance with:

- **Federal regulations**, including the Sarbanes–Oxley Act.
- **New Mexico state law** governing nonprofit corporations.
- **San Juan County** and **City of Aztec** recordkeeping requirements.
- Any relevant grant or contract obligations.

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Certification of Adoption

We, the undersigned officers of the Aztec Downtown Association, hereby certify that this Financial Controls and Management Policy was adopted on the date indicated above.

President / Chairperson – Date

Secretary – Date

Appendix A – Record Retention Schedule

Aztec Downtown Association

(Applies to all officers, board members, employees, volunteers, and contractors)

Record Type	Minimum Retention Period	Notes / Legal Basis
Governing Documents		
Articles of Incorporation & Amendments	Permanent	Required under NM nonprofit law (NMSA § 53-8-26).
Bylaws & Amendments	Permanent	Keep signed originals.
Board & Committee Meeting Minutes	Permanent	Includes agendas, attendance, and supporting materials.
Board Policies & Resolutions	Permanent	Preserves historical governance decisions.
Annual Corporate Reports (NM Secretary of State)	Permanent	Proof of state compliance.
Financial Records		
Annual Financial Statements (audited & unaudited)	Permanent	For audits, grants, and historical reference.
IRS Form 990 & 990-T	Permanent	Required for public inspection (last 3 years), best practice to keep all years.
New Mexico Gross Receipts Tax filings	7 years	NM Tax & Revenue Department requirement.
General Ledger & Chart of Accounts	Permanent	Core accounting record.
Bank Statements, Reconciliations & Cancelled Checks	7 years	IRS standard audit window.
Accounts Payable & Receivable Ledgers	7 years	Consistent with NM and IRS guidelines.
Expense Reports, Invoices & Receipts	7 years	Must support deductions and grant reporting.
Grant Applications, Awards & Compliance Reports	7 years after close	Keep longer if required by funder.
Legal & Compliance Records		

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Record Type	Minimum Retention Period	Notes / Legal Basis
Contracts & Leases (expired)	7 years after expiration	Includes event venue contracts, vendor agreements, etc.
Licenses & Permits	7 years after expiration	City of Aztec permits and business licenses.
Insurance Policies (current & expired)	Permanent	For liability protection and historical claims.
Litigation & Claim Files	Permanent	Includes settlements and court documentation.
Personnel & Volunteer Records		
Employee Personnel Files	7 years after termination	Comply with NM employment law.
Independent Contractor Agreements	7 years after completion	Protects against IRS misclassification audits.
Volunteer Agreements, Waivers & Records	7 years after service ends	For liability protection.
Payroll Records	7 years	Meets federal and NM Department of Workforce Solutions requirements.
Property & Asset Records		
Deeds, Mortgages, Titles & Bills of Sale	Permanent	Includes easements and property tax records.
Asset Inventory Lists	Life of asset + 7 years	For insurance and depreciation tracking.
Maintenance & Service Records	7 years after expiration	Supports warranty claims and audit reviews.
Communications & Marketing		
Newsletters, Press Releases, and Public Marketing Materials	3 years	Archive significant publications.
Social Media Archives	3 years	Keep for branding and historical purposes.
Electronic Records		
Emails tied to contracts, legal matters, or board decisions	Same as record type	Retain according to category rules above.
Routine operational emails	Until no longer needed	Purge under policy guidelines.

Approved Destruction Methods

- **Paper Records** – Cross-cut shredding or approved secure document destruction service in San Juan County.
- **Electronic Records** – Secure deletion from servers, hard drives, and backups.
- Maintain a **Destruction Log** noting date, method, and authorizing official.