

## **Document Retention and Destruction Policies**

These policies cover all records regardless of physical form or characteristics which have been made or received by {Nonprofit Name} in the course of doing business.

### **I. Purpose of policies**

These policies provide for the systematic review, retention and destruction of records received or created by Vail Valley Charitable Fund in connection with the transaction of business.

These policies cover all records, regardless of physical form, contain guidelines for how long certain records should be kept and how records should be destroyed.

These policies are designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records and to facilitate Vail Valley Charitable Fund's operations by promoting efficiency and freeing up valuable storage space. Included in the federal laws necessitating compliance with these policies is the Sarbanes-Oxley Act ("The American Competitiveness and Corporate Accountability Act of 2002"), which makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding.

### **II. Records covered**

These policies apply to all records in any form, including electronic documents. A record is any material that contains information about [Nonprofit Name]'s plans, results, policies or performance. Anything that can be represented with words or numbers is a business record for purposes of these policies.

Electronic documents must be retained as if they were paper documents. Therefore, any electronic files, including information received on line, that fall into one of the document types on the schedule must be maintained for the appropriate amount of time. [For example, 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.]

### **III. Record Retention**

Vail Valley Charitable Fund follows the document retention procedures outlined below.

Documents that are not listed, but are substantially similar to those listed in the schedule will be retained for the appropriate length of time.

This information is provided for educational purposes only and should not be considered legal advice.

#### **A. Permanent Retention**

Permanent records—Permanent records are records required by law to be permanently retained and which are ineligible for destruction at any time for any reason. These records

are necessary for the continuity of business and the protection of the rights and interests of the organization and of individuals. These include records such as organizational documents (Articles of Incorporation and Bylaws), Board minutes and policies, federal and state tax exempt status and independent audits.

No record, whether or not referenced, may be destroyed if in any way the records refer to, concern, arise out of or in any other way are involved in pending or threatened litigation.

While the listings below contain commonly recognized categories of records, the list should not be considered as having identified all records that [Nonprofit name] may need to consider for permanent and non-permanent status. In particular, and as noted above, any documents that are, or may be involved in pending or threatened litigation, must be retained. The nonprofit's legal counsel should be asked to assist in determining what records must be retained.

#### Corporate Records – Permanent

Annual Reports to Secretary of State/Attorney General

Articles of Incorporation

Board Meeting and Board Committee Minutes

Board Policies/Resolutions

By-laws

Construction Documents

Fixed Asset Records

IRS Application for Tax-Exempt Status (Form 1023)

IRS Determination Letter

State Sales Tax Exemption Letter

#### Accounting and Corporate Tax Records - Permanent

Annual Audits and Financial Statements

Depreciation Schedules

General Ledgers

IRS 990 Tax Returns

#### Bank records - Permanent

Check Registers

This information is provided for educational purposes only and should not be considered legal advice.

For further information or assistance, visit [www.nonprofitrisk.org](http://www.nonprofitrisk.org).

#### Payroll and Employment Tax Records – Permanent

Payroll Registers

State Unemployment Tax Records

Employee Records – Permanent

Employment and Termination Agreements B. Nonpermanent retention

Retirement and Pension Plan Documents

Legal, Insurance and Safety Records - Permanent

Appraisals

Copyright Registrations

Environmental Studies  
Insurance Policies  
Real Estate Documents  
Stock and Bond Records  
Trademark Registrations

## **B. Non-permanent retention**

Non-permanent records—Certain records are not required by law to be permanently retained and may be destroyed after the passage of certain years or upon the passing of events as defined by these policies.

Notwithstanding the listing of documents below, no record, whether or not referenced may be destroyed if in any way the records refer to, concern, arise out of or in any other way are involved in pending or threatened litigation.

Corporate Records  
Contracts (after expiration) 7 years  
Correspondence (general) 3 years  
Accounting and Corporate Tax Records  
Business Expense Records 7 years  
IRS 1099s 7 years  
Journal Entries 7 years  
Invoices 7 years  
Sales Records (box office, concessions, gift shop) 5 years  
Petty Cash Vouchers 3 years

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Cash Receipts 3 years  
Credit Card Receipts 3 years  
Bank Records  
Bank Deposit Slips 7 years  
Bank Statements and Reconciliation 7 years  
Electronic Fund Transfer Documents 7 years  
Payroll and Employment Tax Records  
Earnings Records 7 years  
Garnishment Records 7 years  
Payroll Tax returns 7 years  
W-2 Statements 7 years  
Employee Records  
Records Relating to Promotion, Demotion or Discharge  
7 years after termination  
Accident Reports and Worker's Compensation Records  
5 years after termination of claim  
Salary Schedules 5 years  
Employment Applications 3 years  
I-9 Forms 3 years after termination

Time Cards 2 years  
Legal, Insurance and Safety Records  
Donor Records and Acknowledgement Letters 7 years  
Grant Applications and Contracts 5 years after completion  
Leases 6 years after expiration  
OSHA Documents 5 years  
General Contracts 4 years after termination

#### **IV. Emergency Planning**

Vail Valley Charitable Fund's records will be stored in a safe, secure and accessible manner. All documents and financial files that are essential to keeping Vail Valley Charitable Fund operating in an emergency will be duplicated or backed up at least every week and maintained off site.

All other documents and financial files will be duplicated or backed up periodically as identified by the Chief Financial Officer or other person as designated by the Chief Professional Officer and maintained off-site.

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#### **VI. Document Destruction**

Vail Valley Charitable Fund's Chief Financial Officer or other representative as designated by the Chief Professional Officer 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.

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 or claim, whichever is latest.

#### **VII. Compliance**

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against Vail Valley Charitable Fund and its employees and possible disciplinary action against responsible individuals. The Chief Financial Officer or individual designated by the Chief Professional Officer and Finance Committee chair will periodically review these procedures with legal counsel or the organization's certified public accountant to ensure that they are in compliance with new or revised regulations. Questions concerning these policies, the applicability of certain records to the retention or destruction policies, must be addressed to the Chief Financial Officer or other individual as designated by the Chief Professional Officer.