

## Document Retention and Destruction Policy

**PURPOSE OF THIS TOOL:** Certain federal laws prohibit the destruction of certain documents. Not-for-profit organizations should have a written, mandatory document retention and periodic destruction policy. Policies such as this will eliminate accidental or innocent destruction. In addition, it is important for administrative personnel to know the length of time records should be retained to be in compliance.

### Document Destruction

The Document Retention and Destruction Policy identifies the record retention responsibilities of staff, volunteers, members of the board of directors, and outsiders for maintaining and documenting the storage and destruction of the organization's documents and records.

The organization's staff, volunteers, members of the board of directors, committee members and outsiders (independent contractors via agreements with them) are required to honor the following rules:

- a. Paper or electronic documents indicated under the terms for retention in the following section will be transferred and maintained by (fill in the blank based on the organization's practices);
- b. All other paper documents will be destroyed after three years;
- c. All other electronic documents will be deleted from all individual computers, data bases, networks, and back-up storage after one year;
- d. No paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation (check with legal counsel or the human resources department for any current or foreseen litigation if employees have not been notified); and
- e. No paper or electronic documents will be destroyed or deleted as required to comply with government auditing standards (Single Audit Act).

### Record Retention

The following table\* indicates the minimum requirements and is provided as guidance to customize in determining your organization's document retention policy. Because statutes of limitations and state and government agency requirements vary from state to state, each organization should carefully consider its requirements and consult with legal counsel before adopting a Document Retention and Destruction Policy. In addition, federal awards and other government grants may provide for a longer period than is required by other statutory requirements.

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\* Adapted from National Council of Nonprofits.

Type of Document	Minimum Requirement
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts (still in effect)	2 years after Contract period
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Year-end financial statements	Permanently
Minute books, bylaws, and charter	Permanently
Tax returns and worksheets	Permanently

## Resources

- National Council of Nonprofits [www.councilofnonprofits.org](http://www.councilofnonprofits.org)
- BoardSource Record Retention and Document Destruction Policy—Download 4 Samples (E-Policy Sampler) [www.boardsource.org/Bookstore.asp?Type=epolicy&Item=1071](http://www.boardsource.org/Bookstore.asp?Type=epolicy&Item=1071)
- Independent Sector [www.independentsector.org/issues/sarbanesoxley.html](http://www.independentsector.org/issues/sarbanesoxley.html)
- AICPA Management of an Accounting Handbook—2003 and IRS Appendix Document [www.cpa2biz.com/AST/Main/CPA2BIZ\\_Primary/PracticeManagement/PracticeAdministration/PRDOVR~PC-090407/PC-090407.jsp](http://www.cpa2biz.com/AST/Main/CPA2BIZ_Primary/PracticeManagement/PracticeAdministration/PRDOVR~PC-090407/PC-090407.jsp)
- Guide to Record Retention Requirements in the Code of Federal Regulations: Contact the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402-9325 or from CCH, Inc. at [www.onlinestore.cch.com](http://www.onlinestore.cch.com)