



making headway **foundation**

Record Retention Policy

- I. Introduction.** Certain organizational documents and electronic files are required by law to be kept for a minimum length of time because of their importance as legal or financial records. A record may include items such as a memorandum, a contract, an e-mail, or a report, as well as other less obvious items, such as a computerized desk calendar, an appointment book, or an expense record. Records may be in any medium, including print, electronic, and audio/visual media.

Below are tables of Permanent and Non-Permanent Records with Retention Periods. Exceptions to these rules and terms for retention may be granted only by the Executive Director or Chairman of the Board (currently Mr. Edward Manley).

However, if you believe that certain records are relevant to litigation or potential litigation (i.e., a dispute that could result in litigation), then those records must be preserved until the organization's attorneys determine the records are no longer needed. This exception supersedes any established destruction schedule for those records.

II. Permanent Records (Items that should not be destroyed)

Accounting and Finance:

Annual audited financial statements
Attorney contingent liability letters
General Ledgers

Tax records:

IRS Form 990
IRS Determination Letter
IRS or other government audit records
IRS rulings
Tax returns – income, franchise,
property

Corporate records:

Board policies
Bylaws

Certificate/Articles of

Incorporation/Charter

Corporate seal

Minutes of board and committee
meetings

Registrations, licenses, and permits –
State, local, and municipal

Insurance records:

Certificates issued to the organization

Claims files (e.g., correspondence,
medical records, injury
documentation)

Group insurance plans (retirees)

Insurance policies

Legal files:

Court Orders, Judgments, Releases,
Settlements

Personnel records:

Employee handbook

Property records:

Correspondence, property deeds,
assessments, licenses, rights of way
Intellectual property records

Original purchase/sale/lease
agreements, and any related
regulatory/court approvals

Property insurance policies

Contribution records:

Records of contributions

Documents evidencing terms,
conditions or restrictions on gifts

III. Non-Permanent Records

Section Topics

1. Accounting and Finance
2. Tax Records
3. Corporate Records
4. Contracts
5. Grant Records
6. Insurance Records
7. Legal Files
8. Personnel Records
9. Payroll Records
10. Property Records
11. Contribution Records
12. Correspondence and Internal Memoranda
13. Electronic Documents

1. Accounting and Finance

Record Type	Retention Period
Accounts Payable ledgers and schedules	7 years
Accounts Receivable ledgers and schedules	7 years
Annual audited financial statements	Permanent
Attorney contingent liability letters	Permanent
Bank Statements, cancelled checks, deposit receipts	7 years
Budgets (annual)	2 years
Cash journals, check registers	7 years
Credit card statements	2 years
Employee expense reports	7 years
General Ledgers	Permanent
Investment records	7 years after sale of investment
Invoices	7 years
Loans/Notes Payable ledgers and schedules	7 years
Petty cash records	7 years
Purchase orders	7 years

2. Tax Records

Record Type	Retention Period
Excise tax records	7 years
Federal and state annual information returns (e.g., Form 990)	Permanent
IRS Determination Letter	Permanent
IRS or other government audit records	Permanent
IRS rulings	Permanent
Payroll tax records	7 years
Sales/use tax records	7 years
Tax bills, receipts, statements	7 years
Tax returns – income, franchise, property	Permanent
Tax workpaper packages	7 years after completion of audit

3. Corporate Records

Record Type	Retention Period
Board policies	Permanent
Bylaws	Permanent
Certificate/Articles of Incorporation/Charter	Permanent
Corporate seal	Permanent
Minutes of board and committee meetings	Permanent
Registrations, licenses, and permits - state, local, and municipal (e.g., foreign “doing business as” registrations, d/b/as, charitable state registrations)	Permanent

4. Contracts

Record Type	Retention Period
Contracts and related correspondence (including any proposal that resulted in the contract and all other supporting documentation)	17 years after expiration, termination, and/or non-renewal
Loan and related Security Agreement records	Duration of the term of the loan, plus the minimum statute of limitations period after the loan is fully discharged

5. Grant Records

Record Type	Retention Period
All evidence of returned funds	7 years after end of grant period
All pertinent formal correspondence, including opinion letters of counsel	7 years after end of grant period
All requested IRS/grantee correspondence including grantee's IRS determination letters	7 years after end of grant period
Final grantee reports (financial and narrative)	7 years after end of grant period
Grant agreement	7 years after end of grant period
Original grant proposal	7 years after end of grant period

6. Insurance Records

Record Type	Retention Period
Annual loss summaries	10 years
Audits and adjustments	3 years after final adjustments
Certificates issued to the organization	Permanent
Claims files (e.g., correspondence, medical records, injury documentation, etc.)	Permanent
Group insurance plans (active employees)	Until plan is amended or terminated
Group insurance plans (retirees)	Permanent or until 6 years after death of last eligible participant
Incident and Accident Reports	4 years after report date
Insurance policies	Permanent
Releases and settlements	25 years
Workers' compensation claims and insurance policies	18 years

7. Legal Files

Record Type	Retention Period
Court Orders	Permanent
Judgments	Permanent
Legal memoranda and opinions	7 years after close of the matter
Litigation files	5 years after case is closed and expiration of time for appeals

Lobbying records – state and federal lobbying expenses, reports, and supporting records	10 years
Releases	Permanent
Settlements	Permanent

8. Personnel Records

Record Type	Retention Period
Americans with Disabilities Act (ADA) requests or claims	2 years; if charge filed, until resolved
Awards/Bonuses/Incentives	7 years
EEO-1, EEO-2 Employer Information Reports to the EEOC	2 years after superseded or filing (whichever is longer)
Employee earnings records	Separation + 7 years
Employee handbook	Permanent
Employee medical records in general *Note that medical records must be stored separately and treated as confidential, except in the case of providing information to supervisors concerning accommodations.	Separation + 30 years Exception is for employees who worked for less than one year as long as they are given records upon termination.
Logs and summaries of occupational injuries or illnesses	5 years
Any ADA requests or claims	2 years; if charge filed, until resolved
Employee personnel records (hired): including resume/application form, Form I-9, individual attendance records, job or status change records, compensation information, performance evaluations, disciplinary matters, termination papers, leave/comp time/FMLA, employee benefit plan enrollment, hiring/termination dates, engagement and discharge correspondence, worker’s compensation claims, withholding information, garnishments, test results, training and qualification records *Note that payroll records, including dates of leave, records of any disputes must be stored separately and treated as confidential.	Separation + 6 years

Employment contracts (individual)	Separation + 7 years
Employment records (hired): correspondence with employment agencies and advertisements for job openings	Date of hiring decision + 3 years
Employment records (non-hired applicants): applications and resumes, results of post-offer, pre-employment physicals, results of background investigations if any, related correspondence	2 years (4 years if file contains any correspondence that might be construed as an offer)
Job descriptions	3 years after superseded
Occupational injuries or illnesses - logs and summaries	5 years
Sexual harassment complaints, investigations, and findings	No-Cause Findings, 3 years from determination Cause Findings, Permanent

9. Payroll Records

Record Type	Retention Period
Employee deduction authorizations	Termination + 4 years
Garnishments, assignments, attachments	Termination + 7 years
Payroll deductions	Termination + 7 years
Payroll registers (gross and net)	7 years
Time cards/sheets	2 years
Unclaimed wage records	6 years
W-2 and W-4 forms	Termination + 7 years

10. Property Records

Record Type	Retention Period
Correspondence, property deeds, assessments, licenses, rights of way	Permanent
Intellectual property records (trademarks and service marks, copyrights, patents)	Permanent
Original purchase/sale/lease agreements, and any related regulatory/court approvals	Permanent
Property insurance policies	Permanent

11. Contribution Records

Record Type	Retention Period
Records of contributions	Permanent
Documents evidencing terms, conditions or restrictions on gifts	Permanent

12. Correspondence and Internal Memoranda

General Principle: Most correspondence and internal memoranda should be retained for the same period as the document they pertain to or support. For example, a letter pertaining to a particular contract would be retained as long as the contract (see Contracts section). Records that support a particular project should be kept with the project and take on the retention period of that particular project file.

Correspondence and memoranda that do not pertain to documents having a prescribed retention period should generally be discarded sooner. These may be divided into two general categories:

1. Routine matters having no significant, lasting consequences: Discard within two years. Examples include:
 - a. Routine letters that require no acknowledgment or follow-up, e.g., notes of appreciation, letters of transmittal, plans for meetings
 - b. Form letters that require no follow-up
 - c. Letters of general inquiry and replies that complete a cycle of correspondence
 - d. Letters of complaints or requesting specific action that have no value after changes are made or action is taken (e.g., name/address change)
2. Documents pertaining to non-routine matters or having significant lasting consequences should be retained permanently, unless otherwise determined by the Executive Director, Chairman of the Board, or legal counsel.

Copies of interoffice correspondence should be maintained in the originating department file only.

13. Electronic Documents

- a. **Electronic Mail:** Not all email needs to be retained, depending on the subject matter.
 - i. All e-mail—from internal or external sources—is to be deleted after 12 months.
 - ii. Staff will strive to keep all but an insignificant minority of their e-mail related to business issues.
 - iii. The organization will archive e-mail for six months after the staff has deleted it, after which time the e-mail will be permanently deleted.
 - iv. All business-related email should be downloaded to a user directory on the server.

- v. Staff will not store or transfer organization-related e-mail on non-work-related computers except as necessary or appropriate for the organization's purposes.
 - vi. Staff will take care not to send confidential/proprietary information of the organization to outside sources.
 - vii. Any e-mail staff deems vital to the performance of their job should be copied to the staff's H: drive folder, and printed and stored in the employee's workspace.
- b. **Electronic Documents:** (e.g., PDF, Word, Excel, image files) The retention period for electronic documents is based on the subject matter and its respective category under this Policy.
- c. **Web Page Files: Internet Cookies**
- i. The Web browsers on all workstations should be scheduled to delete Internet cookies once per month.

In certain cases, a document will be maintained in both paper and electronic form. In such cases, the official document will be the electronic document.

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