

Potomac Valley Audubon Society

Document Retention and Destruction Policy

The Sarbanes-Oxley Act addresses the retention and destruction of business records and documents and turns intentional document destruction into a process that must be carefully monitored.

In keeping with this requirement, PVAS has adopted the document retention requirements published by the *National Council of Nonprofit Associations, 2004*.

Minimum Retention Requirements by Document Type

| 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) | Permanently |
| Correspondence (general) | 2 years |
| Correspondence (legal and important matters) | Permanently |
| Correspondence (with customers and vendors) | 2 years |
| Deeds, mortgages, and bills of sale | Permanently |
| 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 Policies (expired) | 3 years |
| Insurance records, current accident reports, claims, policies, etc. | Permanently |
| Internal audit reports | 3 years |
| Inventories of products, materials, and supplies | 7 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 |
| Personnel files (terminated employees) | 7 years |
| Retirement and pension records | Permanently |
| Tax returns and worksheets | Permanently |
| Timesheets | 7 years |
| Trademark registrations and copyrights | Permanently |
| Withholding tax statements | 7 years |

©2004 National Council of Nonprofit Associations, www.ncna.org

Responsibility for Storage and Retention

In addition to the minimum retention requirements, it is prudent management for PVAS to spell out some guidelines for managing documents. Basic guidelines and responsibilities for managing documents follow.

Responsibilities

Responsibility for managing retention, storage, and destruction of records shall be shared between the Secretary and Treasurer. The Treasurer shall manage and store all financial records pertinent to day-to-day financial operations. As necessary, the Treasurer shall manage and store copies of archived audits, reports, and financial statements required for orderly and efficient conduct of financial business. The Secretary shall manage and store all non-financial records and all archived financial audits, reports, and statements.

Physical Storage

Since PVAS does not have permanent offices or other storage facility, storage of records need not be physically maintained in the home or offices of the Secretary and Treasurer. Any officer, other board member, committee chair, or staff member may be designated, subject to their agreement, to retain records pertinent to that person's duties and responsibilities. The Secretary will, however, retain an index of records subject to retention policy and the location of such records. At such time that PVAS has permanent offices or storage facilities, official records subject to retention policy will be maintained in that location. Until such time as records are retained in PVAS provided facilities, the Secretary shall oversee the transfer of records from one designated person/location to another.

Review and Management

The Secretary shall establish an annual schedule to review retained records for determination of retention and disposal requirements. The Secretary, other officers, other board members, committee chairpersons, and staff shall conduct this review of records in their possession in accordance with the Secretary's schedule. Records subject to destruction shall be turned over to the Secretary for destruction in accordance with best available practices. The Secretary shall record the destruction of records and make appropriate annotation on the index of records.

Update and Modification of Policy

The Executive Committee shall have authority to adopt changes and updates to the guidelines such as those published by the *National Council of Nonprofit Associations* or other non-profit advisory organizations. The PVAS Board of Directors shall be kept abreast of significant changes in requirements mandated by new or changed laws and regulations concerning records management, and the Board shall adjust this policy accordingly.