

HOW LONG SHOULD MY NONPROFIT RETAIN CERTAIN DOCUMENTS?

Federal and state laws require the retention of certain documents and electronic records. Nonprofit organizations should have a written retention policy. The board is responsible for assuring that the organization is properly securing and retaining documents and electronic records in accordance with the organization's policy and retention schedule.

The table provided below shows the minimum retention time. Retention should be governed by the statute of limitations in your state that sets out the time period that a potential claimant has to bring a claim as well as requirements set out in contracts and agreements.

3 Years

Bank reconciliations
Bank statements
Duplicate deposit slips
Correspondence (general)
Correspondence (with customers and vendors)
Employment applications
Insurance policies (expired)

7 Years

Accounts payable ledgers and schedules
Expense analyses/expense distribution schedules
Inventories of products, materials, and supplies
Invoices (to customers, from vendors)
Payroll records and summaries
Personnel files (terminated employees)
Timesheets
Contracts, notes, and leases
Withholding tax statements

Permanently

Audit reports
Checks (for important payments and purchases)
Depreciation schedules
Year-end financial statements
Correspondence (legal and important matters)
Retirement and pension records
Insurance policies, records, current accident reports, claims, etc.
Board policies and resolutions
Bylaws and articles of incorporation, including amendments, revisions
Copyrights
IRS application for tax-exempt status (Form 1023)
IRS determination letter and correspondence related to it
Real estate deeds, mortgages, and bills of sale
Minutes from board and committee meetings
Minutes from annual meetings of members
Patents and related papers
Trademark registrations
Tax returns and worksheets (all jurisdictions)



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