

# NAOMI'S VILLAGE, INC.

## DOCUMENT RETENTION AND DESTRUCTION POLICY

Adopted \_\_\_\_\_, 2019

**I. Purpose.** Naomi's Village, Inc. (the "*Corporation*") is a nonprofit organization that is recognized by the Internal Revenue Service as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. For many years, the IRS has strongly encouraged tax-exempt organizations to maintain sound management and governance policies, including those related to document retention and destruction. In addition, the Sarbanes-Oxley Act addresses the destruction of business records and documents, and turns intentional document destruction into a process that must be carefully monitored. The Act makes it a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding. Although the Corporation is a nonprofit corporation and is generally not subject to the Sarbanes-Oxley Act, the Corporation believes it is important to comply with best practices in the industry to ensure integrity and high-quality standards. This policy provides for the systematic review, retention, and destruction of documents received or created by the Corporation in connection with the transaction of organization business. This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept and how records should be destroyed. The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate the Corporation's operations by promoting efficiency and freeing up valuable storage space.

**II. Document Retention.** The Corporation 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.

The Corporation's staff is responsible for preserving the safety and confidentiality of documents in the Corporation's possession. In most instances, documents should be maintained at the Corporation's offices to provide for security and preservation. Without specific authority to the contrary, no documents should be retained in the personal possession of any individual, including being stored at a personal residence, on a personal computer, or as a part of a personal email account. Documents stored off premises or outside the control of the Corporation will not be considered part of the Corporation's documents until properly secured by the Corporation. Security measures should be employed to ensure appropriate disclosure when confidential or private information is distributed.

In some cases, banking and tax records referenced herein may be maintained electronically by the Corporation's service providers. If the Corporation transfers service providers, it will obtain copies of such records to maintain as required herein.

Documents should be maintained until the end of the identified retention period, and should then be destroyed in an appropriate manner. Sensitive documents such as those containing financial, account, or personnel information should be destroyed with no reasonable risk of the information being recovered.

**III. Required Time Period for Document Retention.**

<b>TYPE OF DOCUMENT</b>	<b>MINIMUM REQUIREMENT</b>
<u>Corporate Records</u>	
Articles of Incorporation/Certificate of Formation (and all amendments)	Permanent
Board Meeting and Board Committee Minutes	Permanent
Board Policies/Resolutions	Permanent
Bylaws	Permanent
Construction Documents	Permanent
Deeds, mortgages, bills of sale, and leases	Permanent
Fixed Asset Records	Permanent
IRS Application for Tax-Exempt Status (Form 1023) and all attachments	Permanent
IRS Determination Letter	Permanent
State Franchise and Sales Tax Exemption letter	Permanent
Correspondence (legal and important matters)	Permanent
Contracts (after expiration)	7 years
Correspondence (general)	3 years
<u>Accounting and Operational Records</u>	
Annual Audits and Year End Financial Statements	Permanent
Depreciation Schedules	Permanent
General Ledgers	Permanent
IRS 990 and other Tax Returns and worksheets	Permanent
Business Expense Records, Reports Reimbursements	7 years
IRS 1099s	7 years
Journal Entries	7 years
Invoices (to customers and/or from vendors)	7 years
Accounts payable ledgers and/or schedules	7 years
Sales Records (box office, concessions, gift shop, etc.)	5 years
Petty Cash Vouchers	3 years
Cash Receipts	3 years
Credit Card Receipts	3 years
<u>Bank Records</u>	
Check Registers	Permanent
Bank Deposit Slips	7 years
Bank Statements and Reconciliation	7 years
Electronic Fund Transfer Documents	7 years
<u>Payroll and Employment Tax Records</u>	
Payroll Registers	Permanent
State Unemployment Tax Records	Permanent
Earnings Records	7 years
Garnishment Records	7 years
Payroll Tax returns	7 years
W-2 Statements	7 years

Employee Records

Employment and Termination Agreements	Permanent
Retirement and Pension Plan Documents	Permanent
Personnel Files – current	Permanent
Personnel Files – terminated employees	7 years after termination
Records Relating to Promotion, Demotion, or Discharge	7 years after termination
Time Sheets	7 years
Accident Reports and Worker’s Compensation Records	5 years
Salary Schedules	5 years
Employment Applications	3 years
I-9 Forms	3 years after termination

Fundraising/Grantmaking

Correspondence and agreements regarding restricted gifts	Permanent
Donor Records and Acknowledgement Letters	7 years
Grant Agreements	7 years after fulfillment
Grant Applications and Contracts	5 years after completion
Grant Correspondence	3 years

Legal, Insurance and Safety Records

Appraisals	Permanent
Copyright Registrations	Permanent
Environmental Studies	Permanent
Real Estate Documents	Permanent
Stock and Bond Records	Permanent
Trademark Registrations	Permanent
Insurance Policies, current	Permanent
Leases	6 years after expiration
OSHA Documents	5 years
General Contracts	3 years after termination
Insurance Policies, expired	3 years after expiration

**IV. Electronic Documents and Records.** Electronic documents, including e-mail messages, will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an e-mail 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.

**V. Emergency Planning.** The Corporation's records will be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping the Corporation operating in an emergency will be duplicated or backed up periodically.

**VI. Document Destruction.** The Corporation's President 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.

**VII. Compliance.** Failure on the part of the Corporation's employees or volunteers to follow this policy can result in possible civil and criminal sanctions against the Corporation and its employees and possible disciplinary action against responsible individuals. The Board of Directors will periodically review these procedures with legal counsel or the Corporation's certified public accountant to ensure that they are in compliance with new or revised regulations.