Center for Nonprofit Excellence
Document Retention Policy

Adopted December 31, 2008
Revised April 10, 2013
Revised June 11, 2019

Purpose
The purpose of this policy is to ensure that necessary Center for Nonprofit Excellence (CNE) records and documents, both in hard copy and electronic media, are adequately protected and maintained and that records that are no longer needed are discarded at the appropriate time. This policy applies to all CNE employees, and volunteers who have access to, maintain, or create records or documentation of the CNE.

Policy
CNE will comply with retention and disposition schedules approved by the Library of Virginia.

Permanent Records
The following is a list of items that should be maintained as a permanent record. These files will be maintained electronically:

- Annual financial statements and audit report
- Annual tax returns (IRS Form 990 and Form 990-T) and supporting documents
- Board meeting agendas, minutes and related documents
- Building plans and specifications
- Committee meeting agendas, minutes, and related documents
- Contracts still in effect
- Copyrights, patents, and trademark registrations still in effect
- Depreciation schedules
- Donor files
- Incorporation documents
  - Articles of Incorporation
  - Bylaws
- Insurance records, accident reports, claims and policies still in effect
- Legal correspondence
- Payroll records
- Property records such as deeds, titles, and bills of sale
- Scholarship recipient information
- Tax-exemption documents
  - Application for tax exemption (IRS Form 1023)
  - IRS determination letter(s)

Temporary Records
The following is a list of items that should be maintained as a temporary record for five years. These files will be maintained electronically:

- Annual financial statements and audit report
- Annual tax returns (IRS Form 990 and Form 990-T) and supporting documents
- Board meeting agendas, minutes and related documents
- Building plans and specifications
- Committee meeting agendas, minutes, and related documents
- Contracts still in effect
- Copyrights, patents, and trademark registrations still in effect
- Depreciation schedules
- Donor files
- Incorporation documents
  - Articles of Incorporation
  - Bylaws
- Insurance records, accident reports, claims and policies still in effect
- Legal correspondence
- Payroll records
- Property records such as deeds, titles, and bills of sale
- Scholarship recipient information
- Tax-exemption documents
  - Application for tax exemption (IRS Form 1023)
  - IRS determination letter(s)
• Accounts payable details, expense reports, paid purchase orders, 1099 and 1042 reports and check registers.
• Accounts receivable details, receipts and expired uncollected accounts
• Bank statements, canceled checks, deposit, records, bank reconciliations, check registers and investment statements
• Expired contracts, agreements, mortgages, notes and leases
• Expired copyrights, patents, and trademark registrations
• Expired general ledgers, subsidiary ledgers, journal vouchers, and backup
• Grant documents
• Invoices to customers and from vendors
• Follow-up reports to donors (to be reviewed on a case-by-case basis)
• Fundraising correspondence
• Expired liability insurance policies and insurance claim documents
• Internal audit reports
• Periodic treasurer’s reports and financial statements
• Scholarship applications
• Budget variance reports and support
• Expired claims, court documents, litigation files
• Expired licenses
• General correspondence with customers and vendors

Disposal of Documents
When the minimum retention period mandated by the Retention Policy has ended, it is the responsibility of the Executive Director to give the final written approval for the disposal of the documents. The documents should be disposed of by shredding. Electronic records must be “wiped” clean or the storage media physically destroyed.

Definitions
• A permanent record is defined as a record that should be maintained permanently.
• Records include essentially all documentation whether paper or electronic. This includes letters, emails, contracts, receipts, desk calendars, and expense records.
• A temporary record is defined as a record that should be maintained for a specified period of years.

Responsibilities
All employees and volunteers are expected to fully comply with written document retention and destruction policies and schedules.

Procedures
Files are closed out at the end of each fiscal year. Retention periods start at that time. On an annual basis, CNE will review temporary files, both paper and electronic. Items that no longer need to be maintained will be reviewed and approved by the Executive Director for disposal.

Sanctions
Both federal and state laws require CNE to maintain specific records for a specified period of time. If CNE fails to retain the required records for those specified periods of time, CNE could face
penalties, fines, and obstruction of justice charges. CNE also could lose its 501(c)(3) status or be placed in contempt of court.

Individuals who fail to comply with the terms of this policy will be subject to disciplinary action or dismissal from the Board and/or employment with CNE.

**Interpretation**
Authority for interpretation of this policy rests with the Executive Director.

In the event of a governmental audit, investigation, or pending litigation, disposal of records may be suspended at the direction of the Executive Director.

**Authority/Reference**
This policy was based, in part, on federal and state laws on document retention.