

FINANCIAL DOCUMENTS

MINIMUM RETENTION REQUIREMENT

NOTE: How long should you keep the documents listed below? In the nonprofit world, the answer is less clear than in the for-profit sector, as most of the document retention statutes are directed at profit-making corporations or those that issue securities. As a general rule, you should keep the documents listed below until the statute of limitations has expired on the item of income or deduction for that particular return. For most purposes, the minimum limitations period is three years after the date the return is due or filed, whichever is later, as that is when the limitations period generally runs for an IRS audit. However, in light of the Sarbanes-Oxley Act that requires auditors to keep audit records for 7 years following a final audit report, it may be prudent to keep most financial documents for 7 years. Remember, many of the same records listed below will also be used to monitor programs and prepare statements for funders. Accordingly, you should check your grant applications, awards and contracts to determine if reporting requirements and subsequent document retention periods are set forth in those documents.

Accounts Receivable and Payable Ledgers and Schedules	7 years
Audit Reports	Permanently
Bank Reconciliations and Statements	3 years
Chart of Accounts	Permanently
Contracts, Mortgages, Notes, Leases	Permanently
Correspondence – customers/vendors	Depends on issue in correspondence and whether there is a contract; if potential litigation-3 years until threat of litigation has passed; if contract claim is possible, 4 years or until potential claim has dissipated.
Expenses and Purchases - Documentation can include cash register tapes, account statements, canceled checks, invoices, credit card sales slips.	3 years
Gross Receipts -amounts received from all sources. Documents that support gross receipts include cash register tapes, bank deposit slips, receipt books, invoices, credit card charge slips, and Form 1099-MISC	3 years
Year-end financial statements	Permanently
Vendor Invoices	7 years

HUMAN RESOURCE DOCUMENTS

MINIMUM RETENTION REQUIREMENT

NOTE: A former employee in Pennsylvania generally has 300 days to file an EEO claim or 180 days to file a PHRA claim. Employees under contract may have up to four years to file a claim. Other types of employment claims, for example defamation, intentional infliction of emotional distress, and wrongful discharge are subject to a two-year statute of limitations.

If the statute governing the record specifies no time limit, then you can usually apply the Uniform Preservation of Private Business Records, which specifies a three-year time limit for preserving documents. The Office of Federal Contract Compliance Programs (OFCCP) requires federal contractors to preserve most employment records for 2 years.

Personnel Files (Current)	Permanently
Personnel Files (Terminated)	7 years after termination
<i>Applications for Employment and Résumés-For those who were not hired</i>	2 Years
Unsolicited Applications for Employment	2 Years
Employment Turn-downs (Rejection Letters)	Two years after letter is sent.
Interview Information and Reference Checking Notes	2 years after record is made.
Job Advertisements and Job Requests Made to Agencies	1 year after placement of advertisement or request for an employee
Job Descriptions (Current)	Permanently
Job Descriptions (Prior)	2 years after changes made.
Payroll Records and Summaries	3 years from the last date of entry. 4 years for FICA-related information. 4 years for FUTA-related information.
Policies, Guidelines and Employee Handbooks	For as long as they are current and at least 3 years after they are outdated.
Timesheets	3 years from last date of entry. Other experts recommend keeping for 7 years.
Unemployment Insurance Documents- Quarterly Contribution Report and Employment Report	4 years after tax is paid (Pennsylvania law).

MISCELLANEOUS DOCUMENTS	MINIMUM RETENTION REQUIREMENT
Contracts	4 years after contract term has expired.
Correspondence – general	3 years.
Correspondence – legal/important	Keep with legal issue file whether lawsuit, insurance claim, etc. then retain according to that retention requirement.
Grant applications and Awards	Life of grant, plus 3 years after expiration of grant; grant itself may have separate record-keeping requirements that organization must adhere to.
Grant and Contract Reports	Life of grant or contract, plus 3 years after expiration of grant or contract; review grant or contract for any separate record-keeping requirements.
Insurance Records, Accident Reports, Claims	Workers Compensation Claims-10 years after close of matter. Long-term Disability-10 years after return to work, retirement or death.
Insurance Policies (expired)	3 years if a Claims-Made policy; permanently, if it is an Occurrence policy.

DOCUMENTS THAT SHOULD BE KEPT PERMANENTLY

- Board Meeting Minutes**
- Charter (Articles of Incorporation)**
- Bylaws and all Amendments**
- Form 990 and any Schedules** filed with the form.
- IRS Determination Letter Granting Organization 501(c) Status.** Note: this document is subject to the public disclosure regulations. To obtain a copy of this letter contact the IRS at 877-829-5500.
- 1023 Application for Tax-Exempt Status, all Supporting Documents** submitted with the form, and all documents that the IRS requires the organization to submit. Note: these documents are subject to the public disclosure regulations if the organization received status after July 15, 1987. If your organization does not have a copy of the approved 1023 form, you can request a copy by going to <http://www.irs.gov/pub/irs-pdf/f4506a.pdf>
- Deeds, Mortgages, Notes and Leases.**
- Sales Tax and Real Estate Tax Exemption documents**
- State Library Annual Report**