

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	7 Years	Permanently
Bank reconciliations	Accounts payable ledgers and schedules	Audit reports
Bank statements	Expense analyses/expense distribution schedules	Checks (for important payments and purchases)
Duplicate deposit slips	Inventories of products, materials, and supplies	Depreciation schedules
Correspondence (general)	Invoices (to customers, from vendors)	Year-end financial statements
Correspondence (with customers and vendors)	Payroll records and summaries	Correspondence (legal and important matters)
Employment applications	Personnel files (terminated employees)	Retirement and pension records
Insurance policies (expired)	Timesheets	Insurance policies, records, current accident reports, claims, etc.
	Contracts, notes, and leases	Board policies and resolutions
	Withholding tax statements	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)