

Record retention is important in order to prevent a wide range of potential tax and legal problems. Document retention is a good governance policy as indicated on the IRS Form 990, which states: “A document retention and destruction policy identifies the record retention responsibilities of staff, volunteers, board members, and outsiders for maintaining and documenting the storage and destruction of the organization’s documents and records.” Creating a written document retention policy can help clarify with all employees what information should be kept to uphold this governance policy, and what information it is ok to delete.

Your policy should include:

- Which kinds of documents must be retained, and for what length of time
- When documents should be destroyed, following regular business practices
- Which documents can be kept as digital files and which documents need to be kept as hard copies

Below are some key questions to consider when creating your retention policy, as well as some resources to help you get started in creating your own policy:

These questions should only be used as a guide. Consult your insurance carrier and legal team to learn more about what laws govern your organization, and how you can write a retention policy that is best for you. Organizations should also review their policies on an annual basis to include any necessary changes to governmental and professional requirements.

Questions to Consider:

- What documents does the IRS require in case of any potential audit?
- What is the statute of limitation on any potential legal issues that might arise?
  - Keep records such as contracts until any statute of limitation on potential legal issues such as breach of contract, breach of fiduciary duty, and liability claims has passed
  - Statutes vary by state, so you should be aware of the requirements in your state
  - If you are a member of the Move United insurance program, consult the Move United Waiver Retention Policy to determine how long waivers should be kept.
- What are the state laws related to these documents?
  - Many state have laws that govern employment and payroll that require you to keep records for a set period of time
- Does the document relate to minor children?
  - If so, it may need to be retained for longer, until at least the child reaches majority age.
- Are there documents you want to maintain for the sake of institutional memory (i.e. photos of executive directors, old logo designs, etc.)?

Resources for Further Information:

In addition to your organization’s attorney and insurance contacts, these resources can help you determine what documents need to be included in your policy based on state regulations:

- [Individual State Guidelines \(National Council of Non-Profits State Associations\)](#)

- [Sample Document Retention Policy \(Public Council Law Center\)](#)
- [Sample Document Retention Policy \(American Institute of Certified Public Accountants\)](#)
- [Memo for Guidance on Document Retention \(Public Council Law Center\)](#)