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RECORDS RETENTION AND DISPOSITION GUIDELINES

Introduction

Non-profit organizations, like for-profit ones, need to retain certain records beyond current use needs, according to regulatory, legal, financial, and operational requirements. Which records to keep and for how long may vary from organization to organization. Whether a record is in paper or electronic format does not determine its value or retention period; its content is the key factor. Records referenced in this schedule include paper, electronic (including e-mail), and voicemail regardless of whether the record is stored in traditional containers such as file cabinets and boxes, or on a network server, desktop, laptop, handheld, or other device with text or instant messaging capability. The following schedule is merely a sample of a typical non-profit’s need for retaining records and reflects the minimum suggested retention period. When a record is no longer needed or required, it should be disposed of properly in order to ensure that the data truly is no longer recoverable. Electronic records that are to be retained permanently must be pro-actively managed if the information is to remain viable, authentic, and accessible.

Several Federal and State laws contain recordkeeping requirements, including the Americans with Disabilities Act (ADA), Age Discrimination in Employment Act (ADEA), Equal Pay Act, Executive Order 11246, Family and Medical Leave Act (FMLA), Fair Labor Standards Act (FLSA), Health Insurance Portability and Accountability Act (HIPPA), Title VII of the Civil Rights Act of 1964, Immigration Reform and Control Act (IRCA), Occupational Safety and Health Act (OSHA), Employee Retirement Income Security Act (ERISA), and the Vietnam Era Veterans’ Readjustment Assistance Act of 1974. Each organization should consult its own attorney and accountant, as well as federal and state regulators, for expert advice on records retention. Records management guidelines and schedules should be reviewed at least annually to be sure they comply with current requirements. For additional guidance, see your organization’s Records Management Guidelines.1

1 If your organization has no formal guidelines, you may use guidance documents prepared by the Collaborative Electronic Records Project: <http://siarchives.si.edu/cerp/cerpindex.htm>.
**How Long to Keep Records**

<table>
<thead>
<tr>
<th>Document Content</th>
<th>Minimum Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accident reports and claims (settled cases)</td>
<td>7 years</td>
</tr>
<tr>
<td>Accounts receivable &amp; payable ledgers &amp; schedules</td>
<td>7 years</td>
</tr>
<tr>
<td>Affirmative Action Plan</td>
<td>1 year after plan expires</td>
</tr>
<tr>
<td>Articles of Incorporation, charter, bylaws, minutes, and other incorporation records</td>
<td>Permanently</td>
</tr>
<tr>
<td>Audit reports</td>
<td>Permanently</td>
</tr>
<tr>
<td>Bank statements, deposit records, electronic funds transfer evidence, cancelled checks, reconciliation</td>
<td>7 years</td>
</tr>
<tr>
<td>Bylaws and charter</td>
<td>Permanently</td>
</tr>
<tr>
<td>Chart of accounts</td>
<td>Permanently</td>
</tr>
<tr>
<td>Checks for important payments and purchases</td>
<td>Permanently</td>
</tr>
<tr>
<td>Contracts, mortgages, notes and leases (expired)</td>
<td>7 years</td>
</tr>
<tr>
<td>Contracts (still in effect)</td>
<td>Until 7 years after expiration</td>
</tr>
<tr>
<td>Copyright, trademark, patent registrations</td>
<td>Permanently</td>
</tr>
<tr>
<td>Correspondence, administrative (pertaining to formulation, planning, implementation, interpretation, modification, redefinition of programs, services, projects and the regulations, policies, and procedures that govern them)</td>
<td>3 years</td>
</tr>
<tr>
<td>Correspondence, general (Non-administrative incoming/outgoing and internal correspondence pertaining to or arising from the routine operations of the policies, programs, services, or projects)</td>
<td>1 year</td>
</tr>
</tbody>
</table>

2 Records required in connection with a lawsuit or potential legal action must be retained until litigation is settled and the appeal time expires.

3 This schedule draws heavily from the National Council of Nonprofit Associations example: <http://www.ncna.org>.
<table>
<thead>
<tr>
<th>Document Type</th>
<th>Retention Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correspondence, legal and important matters</td>
<td>Permanently</td>
</tr>
<tr>
<td>Correspondence with customers and vendors</td>
<td>2 years</td>
</tr>
<tr>
<td>Deeds, mortgages, bills of sale</td>
<td>Permanently</td>
</tr>
<tr>
<td>Depreciation schedules</td>
<td>Permanently</td>
</tr>
<tr>
<td>Donations</td>
<td>7 years</td>
</tr>
<tr>
<td>Employee demographics records</td>
<td>3 years</td>
</tr>
<tr>
<td>Employee discrimination reports (EEOC, ADA, etc.)</td>
<td>Permanently</td>
</tr>
<tr>
<td>Employment applications</td>
<td>3 years from record creation or personnel action</td>
</tr>
<tr>
<td>Expense Analyses &amp; distribution schedules</td>
<td>7 years</td>
</tr>
<tr>
<td>Financial Statements, year-end</td>
<td>Permanently</td>
</tr>
<tr>
<td>Garnishments</td>
<td>7 years</td>
</tr>
<tr>
<td>General ledgers, year-end trial balance, journals</td>
<td>Permanently</td>
</tr>
<tr>
<td>Grants, un-funded</td>
<td>1 year</td>
</tr>
<tr>
<td>Grants, funded</td>
<td>7 years after closure</td>
</tr>
<tr>
<td>I-9s*</td>
<td>3 years after hire date</td>
</tr>
<tr>
<td>Insurance policies</td>
<td>3 years after expiration</td>
</tr>
<tr>
<td>Insurance records, accident reports, claims, etc.</td>
<td>Permanently</td>
</tr>
<tr>
<td>Internal audit reports</td>
<td>3 years</td>
</tr>
<tr>
<td>Invoices (to customers, from vendors)</td>
<td>7 years</td>
</tr>
</tbody>
</table>

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4 Davis-Bacon Act, Service Contract Act, & Walsh-Healy Public Contracts Act

5 Depending on the number of employees, employers must retain applications & other personnel records relating to hires, rehires, tests, promotions, transfers, demotions, selection for training, layoff, recall, termination or discharge (Civil Rights Act of 1964, Title VII, ADA, ADEA).
Inventory records 7 years

Journals Permanently

Loan documents and notes Permanently

Material Safety Data Sheets Permanently

Mission Statements, Strategic plans Permanently

Notes receivable ledgers and schedules 7 years

Organization charts Permanently

OSHA logs* 5 years

OSHA records related to medical exams 30 years after termination

Patents and related papers Permanently

Payroll records & summaries including expense reports 7 years and records related to employee leave* (Equal Pay Act, FLSA)

Personnel files, terminated employees 7 years after termination

Petty cash vouchers 3 years

Polygraph test results and records* 3 years (Employee Polygraph Protection Act)

Program and/or project files (not grant specific) Permanently

Property appraisals by outside appraisers Permanently

Property records including costs, depreciation schedules Permanently

Property blueprints and facility utility diagrams Permanently (or until property is sold)

Purchase orders 7 years

Retirement and pension records including Summary Plan Descriptions* (ERISA) Permanently
Sales records 7 years

Stock and bond certificates (cancelled) 7 years

Tax returns and worksheets Permanently

Timesheets, books, cards 7 years

Training manuals Permanently

Vouchers for payments to vendors, employees, etc. 7 years
(includes employee/officer travel & entertainment expense reimbursements)

Withholding tax statements* 7 years
(FICA, FUTA, Federal Income)

Workers compensation documentation 10 years after 1st closure

* If, while completing the Affirmative Action Plan, an "adverse impact" is discovered, then the records must be maintained until two years after the adverse impact is eliminated.

** Medical records related to a leave granted under the Family and Medical Leave Act (FMLA) must be maintained for three years.

Categorizing Information

Because the list above is not all-inclusive, you may need to determine whether a particular item is considered a record, and thus, subject to a records retention and disposition schedule. Some of the characteristics of a record are:

- Contains legal or regulatory compliance information
- Evidences a transaction
- Identifies participants in business activities or who had knowledge of an event
- Proves a business-related event or activity occurred or did not occur

It may be useful when making retention decisions to sort records into three categories – enduring value, limited value, and no value – and establish time periods to keep each group regardless of their form (paper or electronic).

Category 1 – Records with enduring value

Retain Permanently (Examples, not all inclusive):

- Agendas and meeting minutes
- Appointment calendars of executives
- Correspondence related to official business communications at the executive level to and from others inside and outside the organization

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- Distribution list member names and e-mail addresses for each list
- Documentation of departmental and organizational decisions and operations
- E-mail transmittals – messages containing no substantive information that are sent only to provide attachments. Because the legal authenticity of an e-mail requires retention of its metadata (the transmission data), transmittals may supply a key part of the record.
- Grant proposals, approvals, reports
- Policy, program, and procedure directives

**Category 2 – Records with limited value** (Examples, not all inclusive. NOTE: Category 2 does not apply to records documenting essential organization, staffing, and procedures; see Category 1.)

Retain 3 years unless required longer for legal or regulatory purposes
- Budget records
- Day-to-day administration
- Facsimile machine logs
- Office services and equipment requests and receipts
- Supply orders and receipts
- Travel itineraries
- Utilities records

**Category 3 – Records of little or no long-term value** (Examples, not all inclusive)

Retain: 0-30 days or until no longer needed for reference
- Calendars (except for key executives)
- Copies of documents when the holder is not the official record keeper, sender, or primary addressee
- Copies of publications or other published reference materials
- Drafts, except for mission critical documents, program and policy changes, or original creative, artistic, and scientific works
- Informational, e.g. holiday closings, charitable drives, notifications of meetings
- Junk and SPAM mail, whether received via e-mail, fax, or traditional mail
- Messages to/from distribution lists (e.g. ListServs)
- Personal correspondence, e-mail, text messages, etc.
- Routine requests for information or publications and replies
- Scheduling of work assignments, work-related trips and visits
- Suspense files or ‘to-do’ and task lists that serve as a reminder that an action is required or a reply expected on a given date

**Keeping Records Electronically**

As a best practice measure to minimize potential loss of information, whether from disaster, human error, or other causes, all electronic records should be copied with one copy stored in a separate locale and one maintained in house. Preferred removable media are archival quality, gold CDs or DVDs. Keep in mind that even though an
archival quality optical disk may last over 100 years, the capability of reading it or accessing the data may be long gone. Both the Records Manager and IT manager should set up calendar reminders to migrate data from older media and formats at regular intervals to be sure the records remain viable for the required period of time. The current consensus is to test for degradation, refresh media, and migrate data every 5 years. The preferred formats are XML for born-digital records, PDF/A for text documents, and TIFF for images. Migration decisions should consider the possibility of metadata loss or alteration; keyword search capability; the inability to annotate files; the necessity to maintain operating systems and software that supports original file formats; and the difficulty in tracing file users and dates.7 The terms, on-line, near-line, and off-line retention, are unique to electronic records, and refer to the type of storage media, not to the length of time the information in a particular record should be retained. The Records Manager and IT Manager should collaborate to decide which type of storage is appropriate for each category of record.

**On-line** retention period: usually refers to retaining data on magnetic disks for disaster recovery purposes, generally 1 week to 3 months.

**Near-line** retention period: data may remain on-site but on removable media such as CDs. Depending on the type of information contained, the records may be Category 1, 2, or 3. In the case of Category 1, Records with Enduring Value, the data may need to be migrated periodically to avoid loss of information from deteriorating media.

**Off-line** retention period: data may be stored off-site, typically on magnetic tapes. Like near-line retention, records in Category 1, Records with Enduring Value, should be transferred regularly to more permanent, stable media.8

**Storing Records**

Both the original digital records and the copies should be archived with each clearly identified and properly stored in an area with proper environmental controls.9 Originals may be kept segregated on a dedicated, non-networked server (recommended) in a secure space, or on removable media, or placed in a digital repository such as DSpace or Fedora, all with access limited to authorized Archivists. Originals or copies on CDs and DVDs should be stored in archival CD/DVD cases or Tyvek envelopes

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inside acid-free CD/DVD boxes. CD/DVD cases should be of inert polyester that does not release potentially harmful chemicals. Whether in cases or boxes, store the CD/DVDs vertically. Do not write directly on CD/DVDs unless using an archival soft tip pen and then write only on the clear center hub of the top side. Do not apply labels to optical media. Alternatively, identifying information may be written on the Tyvek envelope fold-over tab, using an archival soft tip pen.

**Destroying Records**

When a record is no longer required to be kept, it should be properly destroyed and the destruction should be documented. A sample Certificate of Records Destruction form is attached. For example, information entered on the form could be:

<table>
<thead>
<tr>
<th>Record Category</th>
<th>Format/Media</th>
<th>Date Range</th>
<th>Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vouchers</td>
<td>paper</td>
<td>1960-1987</td>
<td>Shredder</td>
</tr>
<tr>
<td>Council Meetings</td>
<td>audio tape</td>
<td>1990-1991</td>
<td>Degaussing</td>
</tr>
<tr>
<td>Press release drafts</td>
<td>Word/CD</td>
<td>1990-1995</td>
<td>CD shredder</td>
</tr>
<tr>
<td>E-mail</td>
<td>mbox/server</td>
<td>1999-2001</td>
<td>Sanitized</td>
</tr>
</tbody>
</table>

Deleting data and emptying the “recycle” folder or “trash” bin from electronic storage media such as CDs, hard drives, tapes, etc. does not permanently destroy the information. Some printers and photocopiers with document memory capability may require data cleaning also before sale or disposal. If data is not sensitive or private, simply overwriting the information may be adequate.\(^\text{10}\) If computers and media are going to be reused or de-commissioned, they must be properly cleaned in order to prevent unauthorized retrieval and use of information, especially if that data includes privacy or security-related material such as personnel records, financial data, or employee health information.

To completely remove data or prevent its retrieval, the following methods should be used.

- Hard drives, USB or flash drives, and other plug-in type devices: Sanitize by running special software programs or following the manufacturer’s instructions for full chip erase. For Windows operating systems, Active Eraser is one product that erases files and hard drives. It is available at [http://www.active-eraser.com/features.htm](http://www.active-eraser.com/features.htm). Another is Eraser by Tolvanen at [http://www.tolvanen.com/eraser/](http://www.tolvanen.com/eraser/). Macintosh operating systems will need a third-party utility such as Jiiva AutoScrubber ([http://www.jiiva.com/](http://www.jiiva.com/)) for version 10.2 file deletion and Jiiva SuperScrubber for hard drives. Versions 10.3 and 10.4 have built in Secure Empty Trash options; however, 10.3 also needs a third-party utility such as JiivaSuperScrubber for hard drives. Version 10.4 also requires Apple Disk Utility (Zero all data, 7- and 35-Pass Erase) for empty space

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\(^{10}\) Overwriting is the process of writing patterns of data on top of the data stored on a magnetic medium in order to obscure the previously written data.
deletion and hard drive cleaning. If the drive is no longer operational, cables should be cut and the drive disassembled. Its platters should be damaged by drilling holes, hammering, or cutting with metal snips.

- Personal Digital Assistants (PDAs), Blackberry, etc.: Clean data according to manufacturer’s instructions and reset to factory defaults. Remove batteries for several hours. Alternatively, wrap securely to prevent flying particles and hammer until the internal parts are destroyed.

- Removable media:
Special shredders are available that can shred optical media (CDs, DVDs, etc.). Diskettes or other media not suitable for shredding should be disassembled and the media mutilated by puncturing, cutting, or sanding.

- Magnetic tape:
Degaussing\(^{11}\) tailored for the type of tape and with proper coercivity.\(^{12}\) Alternatively, incineration, pulverization, or shredding may be used. If the data sanitizing process is contracted to an outside party, the vendor should sign an agreement stating that their practices conform to or exceed the guidelines stated here.

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\(^{11}\) Degaussing (i.e., demagnetizing) is a procedure that reduces the magnetic flux to virtually zero by applying a reverse magnetizing field. Properly applied, degaussing renders any previously stored data on magnetic media unreadable.

\(^{12}\) Coercivity specifies the magnetic field necessary to reduce a magnetically saturated material’s magnetization to zero. The coercivity strength of an applied magnetic field determines which type of degausser may be applied to a particular type of magnetic material.
CERTIFICATE OF RECORDS DESTRUCTION

I, ________________________________, acting on behalf of ____________________________________________

(Organization Name)

hereby certify that the following records were destroyed according to the Records Retention and Disposition Guidelines.

Collection/Record Group/Series: __________________________________________________________________________

____________________________________________________________________________

Record Category (correspondence, etc.): __________________________________________________________________________

____________________________________________________________________________

Format (mbox, Word, etc.) __________________________________________________________________________

____________________________________________________________________________

Date Range: __________________________________________________________________________

Type media or, if hard drive, enter serial #: __________________________________________________________________________

____________________________________________________________________________

Method: __________________________________________________________________________

____________________________________________________________________________

Location of Disposal: __________________________________________________________________________

____________________________________________________________________________

Signature: __________________________________________________________________________ Date: ____________

Title: __________________________________________________________________________

Authorized by __________________________________________________________________________ Title: ____________


Resources


