

EL DORADO COUNTY FIRE SAFE COUNCIL

Article II. RECORDS RETENTION POLICY

Section 2.01 As a tax-exempt, non-profit organization, record keeping and record retention are very important. There are two specific considerations for a non-profit organization to have an established records retention policy.

- (a) In order to retain Federal Tax exemption, a non-profit organization must be able to establish that it is organized and operated as to the specified purpose that gave rise to the Internal Revenue grant of a tax exemption. The El Dorado County Fire Safe Council's non-profit classification is as a nonprofit public benefit corporation (IRC section 501(c) (3).
- (b) Under the federal Sarbanes-Oxley Act (2002), the destruction of documents in the face of a governmental inquiry is a criminal offense and applies to both profit and non-profit organizations. Although there have been various state and federal requirements regarding the maintenance of records before Sarbanes-Oxley, it is now of utmost importance to maintain a policy of records retention and be aware of this law in the decision-making process for destruction of documents.

Section 2.02 A record is any material that contains information about the organization's plans, results, policies or performance. Anything about the organization that can be represented with words or numbers can be considered a business record which must be retained and managed for several years or even permanently depending on the nature of the information. The terms "records" and "records retention" include hard paper copy, email, computer disks, microfilm, scanned or digitized copies, magnetic and visual media and such other electronic communications.

Section 2.03 This records management policy is designed to conform to the Federal and State charitable laws. Note that California law gives the Attorney General an unusually long statute of limitations (10 years) within which to bring an action for breach of charitable trust.

- (a) All financial records are maintained by contracted accountant / bookkeeper. Back up copies are maintained by the Treasurer and / or others as noted by the following legend:
 - A Accountant / Bookkeeper
 - B Treasurer
 - C Secretary
 - D Chairperson

- (b) Budgets are proposed and maintained by the Treasurer.

RECORD RETENTION SCHEDULE		
ACCOUNTING SYSTEMS	RETENTION*	LOCATION**
Accounts Receivable Ledger	P	A,B
Accounts Receivable Invoices	P	A, B
Balance Sheets	P	A, B

Bank Reconciliations	P	A, B
Bank Statements	P	A, B
Bank Deposit Slips	P	B
Budgets	P	B
Chart of Accounts	P	A
Check Register	P	A
Checks (canceled)	P	A, B
Duplicate Deposit Slips	P	B
Expense Reports	P	n/a
Financial Statements (end-of-year)	P	A, B, C
General ledgers and end of year Statements	P	A, B
Invoices to Customers	P	B
Vendor Invoices	P	A, B
Volunteer Records	P	B, C
CORPORATE RECORDS	RETENTION*	LOCATION**
Amendments	P	C
Annual Reports	P	B, C
Articles of Incorporation	P	C
Audit Reports – Public	P	B, C
Audit Reports – Internal	P	B, C
Bylaws	P	C
Contracts and Leases (expired)	P	B, C
Contracts and Leases still in effect	P	B

Contributions (Note: Contribution records include a written agreement between the donor and the charity with regard to any contribution, an email communication or notes of or recordings of an oral discussion between the charity and the donor where the representative of the	P	B
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charity made representations to the donor with regard to the contribution on which the donor may have relied in making the gift)		
Correspondence, general	P	C
Correspondence (legal and important)	P	C
Financial Statements	P	B, C
Internal Reports (miscellaneous)	P	C
Minute Book – Board of Directors	P	C
Recordings of Board Meetings	P	C
Organizational Charts	P	C
FIXED ASSETS	RETENTION*	LOCATION*
Depreciation schedules	P	A, B
Inventories of products, materials, supplies	P	B, C
HUMAN RESOURCES	RETENTION*	LOCATION*
Employee personnel records (post termination)	P	C
Employment applications	P	C
INSURANCE	RETENTION*	LOCATION*
Insurance policies (expired)	P	B, C
Insurance records, current accident reports, claims, policies, etc.	P	B, C
LEGAL	RETENTION*	LOCATION*
Claims & Litigation re Torts & Breach of Contract	P	C, D
Contracts – Employees	P	C, D
Contracts – Government	P	B, C
Contracts – Special	P	B, C
Correspondence – Legal	P	D
Leases/Canceled	P	n/a
Title/Licenses	P	C
PAYROLL	RETENTION*	LOCATION*

Contractors	P	A, B, C
Payroll records and summaries	P	A, B, C
Time sheets and cards	P	A, B, C
TAXATION	RETENTION*	LOCATION*
Tax returns and worksheets, revenue agents' reports, and other docs re determination of tax liability	P	A, B
Canceled Checks – Tax	P	A, B
Correspondence – Tax	P	A, B
Income Tax Returns	P	A, B
Inventory Reports	P	B, C
MISCELLANEOUS	RETENTION*	LOCATION*
Vehicle Operation and Maintenance	P	n/a
Telecommunication Copies	P	A, B, C, D

*P = Permanent

Section 2.04 **Current records or records in use can be retained by the Secretary, the Treasurer or the Executive Coordinator. These include the Secretary's Binder, the Financial Binder and the Executive Coordinator's files. When no longer needed on a monthly or more frequent basis, all records will be placed in secure storage.

Section 2.05 As much as possible, all records will be kept in electronic formats (.pdf, .xls or .wpd files). Hard copies may be kept for convenience but once created are subject to the same retention schedules. Electronic records will be backed up on a monthly basis and stored in secure storage between backups.

Section 2.06 One member of the Executive Board will be designated as holder of the electronic records. This person will be responsible for the monthly backups.

Section 2.07 A maximum of three permanent keys to the secured storage will be held by Executive Committee Members and / or Executive Coordinator.