

Document Retention and Destruction Policy

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1. Purpose

This policy establishes guidelines for the retention and destruction of organizational records to:

- Ensure compliance with **federal and Illinois state laws**.
 - Support transparency and accountability.
 - Protect the organization during audits, litigation, or investigations.
 - Manage storage efficiently and securely.
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2. Scope

All records created or handled for business—**regardless of device used**—are the property of GLASA and are subject to the agency's **Retention Schedule** and **Legal Hold** requirements. This includes staff, board, volunteers, contractors or any other person's creating documents covered in the retention schedule documented in this policy.

Applies to all records or emails created, sent, received, or maintained by the organization in any format (paper or electronic), including those stored in physical or virtual systems such as file cabinets, Microsoft Office (Teams, Sharepoint, Outlook) QuickBooks, ADP, Google (Drive, Forms) and cloud systems.

3. Legal Framework

- **IRS Requirements:** Nonprofits must maintain records to substantiate income, expenses, and governance decisions. Form 990 asks if the organization has a written retention policy.
 - **Illinois Law:** Records related to grants and financial reporting must be retained for **at least 3 years** from the final expenditure report, or longer if litigation or audit is pending. [\[dhs.state.il.us\]](https://dhs.state.il.us)
 - **Sarbanes-Oxley Act:** It is illegal to destroy documents to obstruct investigations.
 - **Employment Laws:** Payroll and employment tax records must be kept for **4 years** after tax is due or paid. [\[legalclarity.org\]](https://www.legalclarity.org)
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4. Retention Schedule

Document Type	Retention Period	Owner
Permanent Records	Articles of Incorporation, Bylaws, IRS Determination Letter, Board Minutes, Audit Reports, Tax Returns (Form 990), Real Estate Documents	Executive Dir Accountant Board Secretary
Financial Records	General Ledger, Year-End Financial Statements – Permanent	Accountant
Bank Statements, Reconciliations	7 years	
Accounts Payable/Receivable, Invoices	7 years	
Grant Agreements & Reports	3 years after final report	
Payroll & HR Records	Payroll registers, W-2, W-4 – 4 years ; Personnel files (terminated employees) – 7 years	Accountant Executive Director
Insurance Policies	Current – Permanent; Expired – 3 years	Accountant
Contracts & Leases	7 years after expiration	Executive Director
Donor Records	Contribution acknowledgments – 7 years	Development Director
Athlete records	Waivers and participation forms retained for 7 years after participation ends.	Program Director
Volunteer records	Applications and background checks retained for 7 years after service ends.	Executive Director
Electronic Records including email	Same as paper when email correspondence is related to above categories or other matters of governance, HR or finance; ensure secure backup and encryption	Executive Director

5. Storage & Security

All records must be created and stored on GLASA-approved systems (e.g., O365) or in a secured physical location. Personal devices used to communicate or create documents Financial and HR systems cloud based (ADP, QuickBooks, Teams) and backed up on a weekly basis at minimum.

- **QuickBooks:** Financial records stored electronically must be backed up regularly and archived according to retention schedule.
- **ADP:** Payroll records maintained in ADP must be accessible for audits and securely stored.
- Confidential records (e.g., medical info) must be kept separate and encrypted. [\[explore.adp.com\]](https://explore.adp.com)

6. Destruction Procedures

- Records past retention period will be destroyed securely (shredding for paper, permanent deletion for electronic files).
- Retention exceptions – retention periods may be extended if required by contractual obligations or agreements
- Cell phone records: If official business is conducted via text or call, transfer relevant information to official systems before deletion.
- No destruction if records are subject to litigation, audit, or investigation.
- Maintain a **Destruction Log** documenting date, type of record, and method of destruction.

7. Litigation Hold

If anyone receives a “Preservation Letter” from any individual, which would indicate a pending lawsuit, immediately give that letter to the Executive Director. If litigation or investigation of any kind (legal or not legal) is anticipated, suspend destruction of relevant records immediately.

8. Policy Monitoring and Execution

Monitoring the Retention Policy is the responsibility of each owner as outlined in the retention schedule. Owners are responsible for ensuring appropriate storing and disposal of records including authorizing destruction and maintaining destruction logs. Staff may assist in monitoring and destruction of records under instruction of the owner. Overall oversight is the responsibility of the Executive Director or a written designee. Noncompliance can result in disciplinary action including termination.