

This recommendation covers all records and documents, regardless of physical form or characteristics, which have been created or received by Conference Offices or Churches in connection with the transaction of ministry business.

### **Electronic Files:**

In general, digital files of documents is sufficient for retention. The main exception to this would be property deeds, which should always be kept as a hard copy. Electronic documents should be retained as if they were paper documents.

### **Document Destruction:**

The organization is responsible for the ongoing process of identifying its records which have met the required retention period and overseeing their destruction. Destruction of the documents may be accomplished by shredding, burning, or sending them to the landfill.

*\*\*Upon any indication of an official investigation of the organization by the IRS or any governmental entity, document destruction shall be suspended immediately. Destruction can be reinstated upon conclusion of the investigation.*

### **Retention Periods:**

#### **Permanent Records**

- Articles of Incorporation
- Audit reports from accountants
- Audited financial statements
- Bylaws
- Checks for important payments (taxes, property, etc.)
- Contracts and leases still in effect
- Corporate Charter, constitution
- Correspondence (legal and important matters)
- Deeds, mortgages, and bills of sale
- Depreciation Schedules
- Endowments and permanently restricted contribution records
- Insurance records (accident reports, claims, policies, etc.)
- Insurance Policies (expired)
- IRS examinations, rulings comments
- Litigation records
- Minutes – board and any committees
- Personnel files of current employees
- Retirement and pension records
- Tax and information returns (State and Federal)
- Tax exemption application and letter
- Trademarks, copyrights, patents, and related papers

### Retention Periods (continued):

#### **Seven (7) Year Retention:**

- Accounts payable and receivable ledgers and schedules
- Cancelled checks
- Contracts, mortgages, and notes that are expired
- Donor contributions (numbered receipts)
- Functional expense analyses and distribution schedules
- Inventories of products, materials, and supplies
- Journals
- Payroll records and summaries
- Personnel files of terminated employees
- Sales invoices
- Timesheets

#### **Four (4) Year Retention:**

- Employment tax records

#### **Three (3) Year Retention:**

- Accounts payable and receivable
- Bank reconciliations
- Bank statements
- Duplicate deposit slips
- Employment applications
- Internal audit reports
- Invoices (after payment)
- Leases (after termination)
- Monthly financial reports and statements
- Service Contracts (after termination)
- Working papers: accounting, budgets, cash flow, financial reports