



**INDEPENDENT SECTOR**  
A vital voice for us all

## RECORDS RETENTION POLICY

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### **I. Objective.**

As a charitable organization dedicated to advancing the common good by leading, strengthening and mobilizing the nonprofit and philanthropic community, Independent Sector has a responsibility to effectively conduct its operations in furtherance of its charitable purposes. The objective of this Records Retention Policy is to further Independent Sector's mission by ensuring that Independent Sector operates effectively and efficiently and complies with all applicable laws and regulations governing the management, retention and destruction of Independent Sector's records.

### **II. Criminal Sanctions and Other Penalties.**

This Records Retention Policy is intended to ensure and facilitate Independent Sector's compliance with all applicable laws and regulations governing the retention and destruction of Independent Sector's records.

Federal, District of Columbia and other laws and regulations require Independent Sector to maintain certain types of records for particular periods. Failure to maintain such records may subject the organization and/or individuals to penalties and fines and may compromise the organization's position in litigation.

It is a federal crime, punishable by a fine and up to twenty years in prison, for anyone to knowingly alter, destroy, mutilate, conceal, cover up, falsify, or make a false entry in any record with the intent to impede, obstruct, or influence the investigation or proper administration of any matter within the jurisdiction of a federal department or agency or any bankruptcy case (See Section 1519 of Title 18 of the United States Code). The same penalty applies to anyone who alters, destroys, mutilates, or conceals a record, or attempts to do so, with the intent to impair the object's integrity or availability for use in an official proceeding, regardless of whether such proceeding is pending or about to be instituted at the time of the offense (See Section 1512 of Title 18 of the United States Code).

### **III. Implementation of Policy**

It is the responsibility of each Independent Sector employee to maintain and destroy the records that he or she originates, or otherwise receives, in accordance with this Records Retention Policy (and any procedures adopted by Independent Sector and/or the Records Management Officer) and in order to comply with all applicable federal, District and other laws and regulations governing the retention and destruction of Independent Sector's records, as such may be communicated by

the Records Management Officer, from time to time. An employee need not maintain a copy of a record when the original or an official copy is maintained elsewhere.

#### **IV. Record Defined.**

A "record" is any recorded information in any format (including without limitation paper, electronic and audiovisual materials), wherever such information is stored, that has been created by or for Independent Sector, or received by Independent Sector in connection with the transaction of the organization's business. Informal materials of transitory utility (e.g., temporary notes of internal meetings, casual or personal email, etc.) shall not be considered "records" for purposes of this Records Retention Policy.

#### **V. Records Management Officer.**

The Chief Administrative Officer or other designated staff member shall serve as Independent Sector's Records Management Officer. To ensure compliance with this Records Retention Policy, the Records Management Officer is responsible for overseeing the implementation of, and compliance with, this Records Retention Policy.

#### **VI. Retention of Records.**

##### **A. Retention Schedule.**

The Retention Schedule, attached to this Records Retention Policy as Appendix A, lists the time period during which specific types of records shall not be destroyed. In the event a record is not listed on the Retention Schedule, contact the Records Management Officer to determine the appropriate retention period for such record.

##### **B. Disposition of Records; Retention Beyond Applicable Retention Schedule Period**

Employees shall dispose of all records following the expiration of the applicable retention period in accordance with this Records Retention Policy, unless (i) the Records Management Officer determines that a record must be retained for a longer period to comply with legal or other requirements or (ii) the employee who originates or receives the record or the Records Management Officer determines that retention of the record for a longer period otherwise serves a reasonable business purpose. The Records Management Officer shall promptly communicate to employees the decision to suspend or extend an applicable retention period for Independent Sector's records (see Section VII below).

#### **VII. Suspension of Destruction of Records.**

If a lawsuit, claim or other legal proceeding, or government investigation or government inquiry (a "Matter") is pending or threatened against Independent Sector, the Records Management Officer shall suspend any scheduled disposal of relevant documents and promptly notify employees of such suspension.

Records with potential relevance to a Matter (whether pending or threatened) **must not be destroyed**—in accordance with the attached Retention Schedule or otherwise—unless the Records Management Officer, on advice of legal counsel, has authorized such destruction.

Employees who become aware of a Matter (whether pending or threatened) against Independent Sector shall promptly notify the Records Management Officer so that Independent Sector can ensure the preservation of all records relating to such Matter in accordance with this Section VII. Employees must consult with the Records Management Officer (who shall consult with legal counsel for Independent Sector) before disposing of records that may be needed in connection with a Matter (whether pending or threatened). Independent Sector shall take reasonable steps actively to preserve evidence and maintain any documents or information that may be discoverable in connection with such Matter.

In the event of the occurrence of a Matter (whether pending or threatened), the definition of the term “record” may be expanded to include even transitory documents that refer or relate in some way to such Matter, and employees may be asked to preserve such records.

This Section VII supersedes the timing of records destruction pursuant to the Retention Schedule. On conclusion of the Matter, general applicability of the Retention Schedule shall resume only after the Records Management Officer, on advice of legal counsel, has authorized such resumption.

Adopted: December 7, 2007  
Amended: May 5, 2011

## APPENDIX A

### RETENTION SCHEDULE

Record Category	Record Type	Minimum Retention Requirement
I. CORPORATE/ORGANIZING DOCUMENTS	A. Organizational: <ul style="list-style-type: none"> <li>• Bylaws (including all amendments)</li> <li>• Corporate Charter (including all amendments)</li> <li>• Corporate Seal</li> <li>• Qualifications to do Business</li> <li>• State Licenses and Registrations</li> <li>• Taxpayer Identification Number</li> </ul>	Permanent
	B. Board of Directors: <ul style="list-style-type: none"> <li>• Agendas</li> <li>• Audit Reports (internal)</li> <li>• Board Books</li> <li>• Board Presentations</li> <li>• Board Resolutions/Minutes</li> <li>• Committee Charters</li> <li>• Committee Resolutions/Minutes</li> <li>• Committee Reports</li> <li>• Conflict of Interest and other Board Policies</li> </ul>	Permanent
	<ul style="list-style-type: none"> <li>• Compensation Consultant Reports/ Compensation Studies Relating to Compensation of Directors, Officers and Key Employees</li> <li>• Conflict of Interest Disclosure Forms</li> <li>• Correspondence with Directors</li> <li>• Determinations Relating to Compensation of Directors, Officers and Key Employees</li> <li>• Determinations Relating to Transactions with Related Parties</li> <li>• Investment Reports/Briefings</li> </ul>	Seven Years
	C. Tax-Exemption: <ul style="list-style-type: none"> <li>• Application for Tax Exemption (including all related correspondence with IRS)</li> <li>• IRS Determination Letter</li> <li>• Post-Determination Letter Correspondence with IRS Regarding Tax-Exempt Status</li> <li>• State Tax Exemption (application and related materials)</li> </ul>	Permanent
	D. Tax and Tax Accounting; State Reporting: <ul style="list-style-type: none"> <li>• Correspondence with State Tax Authorities</li> </ul>	Permanent

Record Category	Record Type	Minimum Retention Requirement
	<ul style="list-style-type: none"> <li>• Federal Tax Returns (Form 990, Form 990-T, etc.)</li> <li>• State Tax Filings</li> <li>• Annual/Periodic State Reports</li> <li>• Backup Tax Workpapers and Related Documentation</li> <li>• Internal Determinations Relating to Income and Excise Tax Liability</li> </ul>	Seven Years
	E. IRS Audit-Related Materials: <ul style="list-style-type: none"> <li>• Closing Agreements</li> <li>• Revenue Agent Reports</li> </ul>	Permanent
	<ul style="list-style-type: none"> <li>• IDRs and Responses thereto</li> </ul>	Seven Years
<b>II. GENERAL RECORDS</b>	<ul style="list-style-type: none"> <li>• Annual Reports</li> </ul>	Permanent
	<ul style="list-style-type: none"> <li>• Correspondence and Letters</li> <li>• Documentation of Exempt Function Activities</li> <li>• Press Releases</li> <li>• Promotional and Sponsorship Materials</li> </ul>	Seven Years
<b>III. GRANTS/ DONATIONS/ AWARDS</b>	A. Grant Proposals: <ul style="list-style-type: none"> <li>• Awarded Grants</li> </ul>	Seven Years (from date of final grant report)
	<ul style="list-style-type: none"> <li>• Rejected Grants</li> </ul>	One Year (from date of rejection)
	B. Grant Award Letters/Agreements (including all exhibits)	Seven Years (from date of final grant report)
	C. Grant Rejection Letters	One Year (from date of rejection)
	D. Grant Reports	Seven Years (from date of final grant report)
<b>IV. ADMINISTRATION</b>	A. General: <ul style="list-style-type: none"> <li>• Insurance Policies</li> </ul>	Permanent
	<ul style="list-style-type: none"> <li>• Building &amp; Equipment Leases and Related Agreements</li> </ul>	Seven Years (after termination of lease)
	B. Policies and Procedures: <ul style="list-style-type: none"> <li>• Accounting</li> <li>• Internal Controls</li> <li>• Personnel Policies</li> <li>• Other Related Materials</li> </ul>	Seven Years (from expiration or termination of policy)

Record Category	Record Type	Minimum Retention Requirement
	C. Procurement: <ul style="list-style-type: none"> <li>• Contracts</li> </ul>	Seven Years (from termination of contract)
	<ul style="list-style-type: none"> <li>• Purchase Orders</li> </ul>	Seven Years
<b>V. BENEFIT AND RETIREMENT PLANS</b>	<ul style="list-style-type: none"> <li>• Employee Benefit Plan Documents – Plan Documents, Summary Plan Descriptions, Superseded Plan Documents and Summary Plan Descriptions, Notices, IRS Letter of Determination, Insurance Contracts, and Third Party Administrator Contracts (including medical, dental, life, and disability plans)</li> <li>• Employee Benefit Files – Benefit Information Filed by Employee Name (including benefit statements, benefit elections, beneficiary designations, annuity contracts, benefit calculations, and compensation and service histories)</li> <li>• Minutes –Employee Benefit Plans' Board of Directors Meetings (including investment committee meetings, etc.)</li> <li>• Employee Benefit Plans' Board of Directors Reports – monthly financial statements</li> <li>• Investment Reports (summary)</li> <li>• Outside Investment Managers (contracts and investment performance reports)</li> </ul>	Permanent
	<ul style="list-style-type: none"> <li>• Monthly Premium Bills and Census</li> </ul>	Seven Years
	<ul style="list-style-type: none"> <li>• Qualified Domestic Relations Orders</li> </ul>	Six Years (from the date participant or beneficiary no longer has an accrued benefit under the plan)
	<ul style="list-style-type: none"> <li>• Summary Annual Reports</li> </ul>	Six Years (from the date participant/alternate payee no longer has an accrued benefit under the plan)
	<ul style="list-style-type: none"> <li>• Claims Files</li> </ul>	Six Years (from the date the approved or denied claim is final)
	<ul style="list-style-type: none"> <li>• Plans' Annual Reports on Form 5500 (and all supporting documents)</li> </ul>	Six Years (from the date the Form is filed)

Record Category	Record Type	Minimum Retention Requirement
	<ul style="list-style-type: none"> <li>• Plans' Annual Financial Statements</li> </ul>	Six Years (from the end of the year to which the audit applies)
	<ul style="list-style-type: none"> <li>• Plan Testing Records – Discrimination Tests</li> </ul>	Six Years (from the end of the year in which the testing records are used)
	<ul style="list-style-type: none"> <li>• Investment Records (detail)</li> </ul>	Six Years (from the date of the transaction)
	<ul style="list-style-type: none"> <li>• Tax Deduction Records (records sufficient to justify employer deductions for plan contributions)</li> </ul>	Six Years (from later of date of filing or payment of tax)
	<ul style="list-style-type: none"> <li>• Payroll Records</li> </ul>	Six Years (after the later of return due date or date tax is paid)
<b>VI. FINANCE</b>	<p>A. General Accounting</p> <ul style="list-style-type: none"> <li>• Audited Financial Statements</li> <li>• Auditors Reports; Management Letters</li> <li>• General Ledger (one copy for each calendar year)</li> </ul>	Permanent
	<ul style="list-style-type: none"> <li>• Accounts Payable Ledgers and Schedules</li> <li>• Accounts Receivable Ledgers and Schedules</li> <li>• Accruals</li> <li>• Budgets; Related Reports</li> <li>• Cash Receipts and Disbursements</li> <li>• Employee Benefits Paid</li> <li>• Expense Reports</li> <li>• Fees and Commitments</li> <li>• Investment Account Statements</li> <li>• Journal Entries</li> <li>• Notes Receivable Ledgers and Schedules</li> <li>• Other Financial Reports</li> <li>• Payment Files</li> <li>• Payroll Records (including computer service company records)</li> <li>• Petty Cash Vouchers</li> <li>• Prepaid Items</li> <li>• Reconciliations</li> <li>• Time Sheets/Leave Reports</li> <li>• Travel Vouchers</li> <li>• Wire Transfers</li> <li>• Year End Adjusting Entries</li> <li>• Year End Trial Balances</li> </ul>	Seven Years

Record Category	Record Type	Minimum Retention Requirement
	<ul style="list-style-type: none"> <li>• Capital Assets Schedule</li> <li>• Depreciation Schedules</li> </ul>	Seven Years (after item is fully depreciated)
	B. Banking and Related Materials <ul style="list-style-type: none"> <li>• Bank Statements</li> <li>• Canceled Checks</li> <li>• Cash Receipts</li> <li>• Chart of Accounts</li> <li>• Check Register</li> <li>• Check Requests and Expense Reports</li> <li>• Checks and Check Stubs</li> <li>• Delegation of Authority</li> <li>• Deposit Slips</li> <li>• Interest Statements</li> </ul>	Seven Years
	C. Tax-Related Material <ul style="list-style-type: none"> <li>• Cost or other Proof of Substantiation for Tax Basis of Property</li> <li>• IRS Forms 940, 941, 945, 1096, 1099, W-2 &amp; W-3 &amp; Other Employment Tax Forms</li> </ul>	Seven Years
	D. Interim Financial Information Interim financial information having a relatively short useful life may be generated and circulated. Such information should be retained only so long as it is actively being used. Once superseded, or once the information is incorporated into a quarterly or yearly report, most interim summaries and reports have no further value. Consequently, interim reports and similar items containing information within the categories outlined above generally do not need to be retained if they are superseded or their data is incorporated into a more comprehensive report. Please check with the Records Management Officer before disposing of such materials.	Check with Records Management Officer
<b>VII. PERSONNEL RECORDS</b>	A. Personnel Files: <ul style="list-style-type: none"> <li>• Official Personnel Files of Active Employees</li> </ul>	Retained During Active Employment
	<ul style="list-style-type: none"> <li>• Information Relating to Charges or Complaints of Discrimination (pending or reasonably foreseeable)</li> </ul>	Retained Until Final Disposition of All Legal Proceedings Relating Thereto
	<ul style="list-style-type: none"> <li>• Records Used to Compile EEO-I or Similar Reports</li> </ul>	Six Years (from date of report)



Record Category	Record Type	Minimum Retention Requirement
	<ul style="list-style-type: none"> <li>Official Personnel Files of Inactive Employees (Including staff employment agreements and annual evaluations; security clearance information)</li> </ul>	Six Years (after employment period ends except as otherwise indicated in this section and as applicable for benefits-related records above)
	<ul style="list-style-type: none"> <li>Personnel Records—other (Personnel records relating to recruitment and hiring (including records pertaining to a decision not to hire particular individuals, job orders submitted to employment agencies for recruitment; and advertisements or notices relating to job openings); employment terminations and resignations; and other personnel actions)</li> </ul>	Six Years (from the date of the personnel action)
	<ul style="list-style-type: none"> <li>Immigration and Nationality Documents (I-9 Forms)</li> </ul>	Six Years (from hire date or one year after termination, whichever is later)
	<p>B. Wage and Hour (Payroll) Records</p> <ul style="list-style-type: none"> <li>Staff Salary Summaries</li> <li>Payroll Records including: name, employee identification number, home address, date of birth, gender, occupation, time of day and day of week on which employee's work week begins, total wages for each pay period, and date of payment</li> <li>For Non-Exempt Employees: records reflecting regular hourly rate of pay; amount/nature of any payment excluded from the employee's "regular rate" of pay; hours worked each workday, total hours worked each work week; straight-time earnings, overtime pay, any additions/deductions to wages; schedule of hours normally worked</li> <li>For Exempt Employees: records providing detailed explanation of basis on which wages are paid to permit calculation for each pay period of the employee's total remuneration for employment, including fringe benefits</li> </ul>	Three Years
	<p>C. Medical Records</p> <ul style="list-style-type: none"> <li>Material Related to Claims under Workers Compensation Laws</li> <li>Material Related to Claims under State/District Disability Laws</li> </ul>	Seven Years (after completion)

Record Category	Record Type	Minimum Retention Requirement
	<ul style="list-style-type: none"> <li>• Family and Medical Leave Act Leave Request (Forms, Medical Certifications, Correspondence and Related Documentation)</li> <li>• Material Evidencing Compliance with Occupational Safety and Health Administration Requirements</li> </ul>	Six Years
	<ul style="list-style-type: none"> <li>• Accommodation Requests and Related Documentation Generated in Compliance with the Americans With Disabilities Act</li> </ul>	Six Years (from date record was made or from date of personnel action, whichever is later. If accommodation ongoing, maintain records through period of employment and thereafter as noted above)
VIII. LEGAL	<ul style="list-style-type: none"> <li>• Property Records</li> <li>• Property Appraisals</li> <li>• Documents Related to the Acquisition and Sale of Real Property</li> <li>• Records of Efforts not to Infringe any Patent, Trademark, Copyright, or Trade Secret</li> <li>• Confidentiality and Nondisclosure Agreements</li> <li>• Copyright Registrations</li> <li>• Copyright Permissions for Use of Others' Copyrighted Material</li> </ul>	Permanent
	<ul style="list-style-type: none"> <li>• Regulatory Affairs</li> </ul>	Seven Years
	<ul style="list-style-type: none"> <li>• Contracts/Agreements (unless specifically addressed elsewhere in this policy)</li> <li>• Deeds/Titles: Certification Letters</li> <li>• Licenses</li> </ul>	Seven Years (after date of expiration)
	<ul style="list-style-type: none"> <li>• Litigation</li> </ul>	Seven Years (after final decision)
	<ul style="list-style-type: none"> <li>• Computer Software Licenses</li> </ul>	Seven Years (after use of software)