BEST PRACTICES IN CHURCH ACCOUNTING

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GOALS

- To protect church assets
- To protect church staff
- To provide accurate financial information
- To comply with all federal requirements for a tax-exempt organization

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POLICIES

- Provide guidance and uniformity of actions among staff members
- Clarify expectations between staff and church members

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MUST HAVE POLICIES

- Processing of funds from receiving to recording
- Accountable expense reimbursement plans
- Gift acceptance policy
- Benevolence policy
- Credit card policy and agreements for card holders
- General receipt and disbursement policies
- Facility usage policy
- Record retention policy
- Whistleblower policy

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DOCUMENTATION

- 100% documentation is the goal for expenditures – documentation failures jeopardize the church's tax-exempt status
- If it isn't written down, then it probably isn't documented and if it isn't documented, it didn't happen
- Credit card statements and/or bank statements are not sufficient to document expenditures

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GOVERNING BODY MANDATORY ASSIGNMENTS

- Approve a budget
- Review and determine reasonable compensation ranges for each position
- Approve housing allowances each year
- Establish and document compensation packages
- Establish the financial guidelines in the above-mentioned policies
- Approve major expenditures
- Review financial information on a regular basis

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COMMON ACCOUNTING ERRORS

- Failure to close out the year and lock a system against future changes
- Accounts are never reconciled
- Fixed assets are not recorded
- Restricted funds are inadequately tracked
- Payables and loans are not accounted for properly
- Credit card payments are not recorded to the right expense accounts
- Failure to identify sales tax obligations
- Failure to understand how large the church really is from a financial standpoint

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ACCOUNTING SOFTWARE TRAPS

- Failure to use accounting software
- Believing that bank integration with the software is going to automatically work
- Failure to understand the basics of accounting and recording transactions in the correct accounts
- Out of control chart of accounts
- Prior year activity can be easily changed
- Allowing it to short cut documentation requirements

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WORKER CLASSIFICATION

- Every worker must be properly classified as to employee or independent contractor
  - Behavioral
  - Financial
  - Definition of relationship
- Once classified accurate reporting is mandatory
  - For employees, withholding and report on W-2 if paid $100 or more during the year
  - For independent contractors, including LLCs, report on Form 1099-NEC if paid $600 or more during the year
  - Confirm that ministers are properly treated for payroll tax purposes

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PROPER REPORTING OF INCOME AND FRINGE BENEFITS

- Every benefit is taxable until it can be determined to not be taxable under the Internal Revenue Code
- Look beyond the paycheck and make sure income items are not being paid through accounts payable
- If fringe benefit plans are required – they should be in writing and comply with the appropriate legal requirements
- Reconcile liability accounts for benefit deductions and payroll taxes on a regular basis

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Sample Gift Acceptance Policy

[Name of Organization]

INTRODUCTION

To protect the interests of [*Name of Organization*]_____ (the "Organization") and the persons and entities who support its causes, these gift acceptance policies are designed to assure that all gifts to, or for the use of __[*Name of Organization's*]_____ charitable causes are structured to provide maximum benefit to all parties involved. All gifts to the Organization will be governed by these policies and gifts may not be accepted in circumstances contrary to these policies with approval by the Board of Directors[i].

The goals of this policy are to:

- Encourage giving to the Organization without encumbering the Organization with gifts that cost rather than benefit the Organization
- To avoid accepting gifts that the donor restricts in a manner inconsistent with the goals of the Organization or that conflict with the Organization's mission or governing documents
- To provide guidance to directors, officers, staff members and volunteers in accepting all beneficial gifts and graciously declining those that are not in alignment with the Organization's purposes
- To provide information to donors to establish reasonable expectations regarding the Organization's desire for gaining support for its mission

To facilitate the receipts of gifts and bequests, the Organization must be capable of responding quickly and in the affirmative where possible to all gifts offered by prospective donors. Unless stated otherwise, the Organization intends that these policies apply to all gifts.

I. Gifts of:

A. Cash

1. Organization will accept unrestricted gifts in the form of cash and checks regardless of amount, unless: (a) a question exists as to whether the donor has legal title to the asset, or (b) a question exists as to the legal capacity of the donor to transfer funds.

2. Donors shall make all checks payable to the Organization, and donors shall never make checks payable to an employee, director, agent, or volunteer for the Organization's credit.

B. Publicly Traded Securities

The Organization shall accept unrestricted publicly traded securities. Securities should be transferred into a brokerage account in the name of the Organization. The donor may anticipate that the Organization may immediately sell such securities. However, at the discretion of management, securities may be held in the brokerage account.

C. Closely-Held Securities

The Board of Directors must approve in writing all gifts of closely held securities in advance of accepting the gift. The Board of Directors will review these securities using the following criteria:

- There is a likelihood that a readily available market will become available within the near future for their disposition or that other arrangements are made for their eventual disposition.

- Accepting such securities will not create any potential liability to the Organization.

- The Organization is aware of any potential unrelated business income that may be generated by the securities.

- The closely held entity engages in no activities that would be inconsistent with the Organization's objectives.

D. Real Property[ii]

The Board of Directors must approve in writing all gifts of real estate in advance of accepting the gift.

1. The Organization may require that an appropriately licensed appraiser issue a qualified appraisal of the real estate before acceptance. The licensed appraiser shall not have any business or other relationship with the donor. The donor shall bear the costs of the appraisal.

2. The Organization cannot accept any gift of real estate until it determines that no environmental waste contaminates the property. The Organization may require a Level I Environmental Survey. All costs related to the survey will be borne by the donor.

3. In general, real estate located within the State of [*name of resident state*] will be accepted, unless the Board of Directors shall determine for some reason that the property is not suitable for acceptance.

4. Special deliberation shall be given to the receipt of real estate encumbered by a mortgage, as the ownership of such property may give rise to unrelated business income for the Organization, as well as payments, taxes and

insurance that may burden the Organization’s financial condition.

5. No real estate gift will be accepted if the conditioned upon the Organization maintains or owns the property in perpetuity or for a set number of years.

6. Gifts of real estate may not be initiated within the last 30 days of the calendar year due to the time required to perform due diligence to protect the Organization.

E. Tangible Personal Property

1. Jewelry, artwork, collections, and other personal property shall not be accepted unless the employee, agent, or volunteer working on behalf of the Organization shall have reason to believe the property has a value over $______. Such property can only be accepted on behalf of the Organization by the Board of Directors or such other person or persons authorized to do so by the Finance Committee.

2. No personal property shall be accepted by the Organization unless there is reason to believe the property can be quickly sold or immediately incorporated into the operations of the Organization. No personal property shall be accepted that obligates the Organization to retain it in perpetuity. No perishable property or property which will require special facilities or security to properly safeguard it will be accepted without the prior written approval of the Board of Directors.

3. Notwithstanding the foregoing, if there is reason to believe personal property has a value of $______ or more, it may only be accepted after receipt and review by the Board of Directors or those empowered to act on its behalf, after an appraisal that is qualified under the terms of the Internal Revenue Code governing gifts of personal property.

F. Cryptocurrency

Gifts of cryptocurrency may be accepted after the Organization has determined its liquidity and reviewed any pending restrictions associated with the cryptocurrency.

G. Oil, Gas and Mineral Interest

The Organization may accept mineral interest after the property has been evaluated by its legal counsel and the Board of Directors. A working interest will only be accepted after its carrying costs and unrelated business income tax consequences have been determined.

G. Other Property

Other property of any description, including mortgages, notes, copyrights, royalties, and easements, whether real or personal, shall only be accepted by further action of the Board of Directors or persons duly acting on its behalf.

II. Deferred Gifts

The Organization shall execute no planned giving agreement without the advice of legal counsel. Prospective donors shall be strongly encouraged to seek their own legal and/or tax counsel in matters relating to their charitable gifts, taxes, and estate plans.

A. Bequests

1. The Organization shall actively encourage gifts through Wills, Living Trusts, and split-interest trusts. All split-interest trusts must be approved by the Board of Directors and the Organization's legal counsel.

2. In the event of an inquiry by a prospective donor, representations as to the acceptability of a bequest to the Organization shall be made following this Gift Acceptance Policy only.

3. The Organization shall always retain the right to refuse a gift from an individual or an estate when it is not in the best interest of the Organization to accept the gift.

4. When the Organization is the recipient of a gift from an estate or trust, the Board of Directors shall review the restrictions upon the gift and determine if it is in the Organization's best interests to accept the gift.

5. The Organization will not accept a gift that might result in conflict within the Organization or confusion as to the utilization of the gift, or that might create an undue financial burden upon the Organization

6. When the Organization receives an unrestricted estate gift, the Board of Directors shall determine its highest and best use at the time.

7. If the Organization has created an Endowment Fund and the unrestricted funds are not needed for the Organization's ordinary and everyday expenses, priority for unrestricted gifts shall be as an addition to the Organization's Board Designated Endowment Fund.

B. Life Estate Gifts

1. Donors shall generally not be encouraged to make gifts of a remainder interest in real property in which the donor retains a life estate.

2. This policy is based upon the possibility that the donor may need to sell the home in the future and find that the value of the life estate is a small portion of the value of the property. Such gifts may be accepted by the Board of Directors when the asset involved appears to be a minor portion of the donor's wealth, and the Board of Directors is satisfied that there has been full disclosure to the donor of the possible future ramifications of the transaction.

C. Gifts of Life Insurance

1. The Organization will encourage donors to name the Organization as a beneficiary of all or a portion of a person's life insurance policies.

2. However, the Organization will not agree to accept gifts from donors to purchase life insurance on the donor's life. Exceptions to this policy will be made after researching relevant state laws to assure the Organization N has an insurable interest under applicable state law.

3. No insurance products may be endorsed for use in funding gifts to the Organization N. In no event shall lists of the Organization's donors be furnished to anyone for the purpose of marketing life insurance for the benefit of donors or the Organization. This policy is based on the fact that this practice represents a potential conflict of interest, may cause donor relations problems, and may subject the Organization to state insurance regulation should the activity be construed as involvement in the marketing of life insurance.

III. Designated Gifts & Establishing Designated Accounts

A. The Board of Directors will determine what designated or restricted accounts may be established.

1. Funds donated to the Organization are always considered as unrestricted and any suggestions of a restriction are a donor suggestion and not a restriction unless approved in advance by the Board of Directors or given to a designated account already established by the Organization.

2. Any donor to the Organization may request in writing to the Board of Directors the establishment of a designated account. Once an account is approved and established, the Organization may accept funds into that account.

3. The Board of Directors will determine the length of time the account shall exist. When that time has passed, the Board may either extend the time period for expiration of the account or transfer any remaining funds to the general fund.

4. With the approval of the Board of Directors, the senior management team may create designated funds utilizing other unrestricted funds available to the Organization.

5. Endowments may be established with the approval of the Board of Directors and only with a written endowment agreement approved by the Board of Directors.

B. Disbursing Designated Funds

1. Designated funds may only be spent for the purpose for which they are designated.

2. If, at any time, the Organization accepts custody of designated accounts which have not been approved and established by the Board of Directors and the Organization does not intend to use the designated funds for the purpose designated, the Organization will return the monies to the donor or contact the donor for permission to transfer the funds to another fund or another charity chosen by the donor.

C. Notice to Donors – The Organization shall include in all fundraising, solicitation materials, website, and donor receipts the following statement:

"All donations are subject to the Organization's Gift Acceptance Policy. The Organization considers all contributions to the Organization as unrestricted gifts. A donor's designations are treated as suggestions unless the Board of Directors has approved the designations before receiving the gift or the gift is contributed to a pre-established designated fund. Copies of the gift acceptance policy are available on the Organization's website."

IV. Finders Fees and Commissions

No finders fee or commission shall be paid to anyone as consideration for directing a gift to the Organization.

V. Use of Legal Counsel

At all times, it is the goal of the Organization to first protect the interests of the Organization. To this end, the Organization shall seek its legal counsel in the consideration of accepting the following gifts.

A. Transfers of closely-held stock
B. Any arrangement requiring the Organization to be named as "Trustee"
C. Gifts of real estate
D. Gifts with a potential conflict of interest
E. [*Other as named by the Organization*]

VI. Federal Tax Considerations

A. Form 8283, Noncash Charitable Contributions - To facilitate the acceptance of noncash gifts valued at $5,000 or more, the Executive Director (or similar position) will be authorized to sign Form 8283, Noncash Charitable Contributions, upon the request of the donor.
B. Contribution Receipts – The Organization will issue qualifying charitable contribution receipts indicating the amount of cash gifts. For noncash gifts, including gifts of publicly traded stock, the contribution receipt will include a thorough description of the item(s) given, but it will not include a value.
C. The Organization and its representatives are not qualified to provide tax advice to donors regarding the value of a donation or the effect of a donation on any

individual tax liability. Additionally, it is the donor's responsibility to determine all steps required to secure any desired charitable contribution tax deduction for any gift given to the Organization.

D. When required for certain noncash gifts, the Organization will file Form 8282, Donee Information Return, when the property is disposed of within 3 years of the date of the gift.

E. In all instances where the Organization accepts a contribution of an automobile, airplane, boat or other mode of transportation, it will complete Form 1098-C, Contributions of Motor Vehicles, Boats and Airplanes.

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[i] While the policy refers to decisions that must be made by the Board of Directors, the Board may create a committee to review gifts requiring Board approval by this policy.

[ii] An organization may specifically state types of real estate it is not willing to accept; i.e., time-share property, etc.

[Name of Church]
<u>Full Accountable Expense Reimbursement Plan</u>

The following resolution was duly adopted by written consent of the Board of Elders[i] of [*Name of Church*] (the "Organization") on ________________.

Whereas, income tax regulations sections 1.162-17 and 1.274-5T(f) provide that employees need not report on their tax return expenses paid or incurred by them solely to benefit their employer for which they must account and do account to their employer and which are charged directly or indirectly to the employer; and

Whereas, income tax regulation section 1.274-5T(f) further provides that an adequate accounting means the submission to the employer of an account book, diary, statement of expense, or similar record maintained by the employee in which the information as to each element of expenditure (amount, date and place, business purpose, and business relationship) is recorded at or near the time of the expenditure, with supporting documentary evidence, in a manner which conforms to all the "adequate records requirements" set forth in the regulation; and

Whereas, the Organization desires to adopt a reimbursement policy pursuant to the regulations mentioned above and desires to operate under such policy; be it therefore

Resolved, that the Organization hereby adopts an accountable reimbursement policy pursuant to income tax regulations sections 1.162-17 and 1.274-5T(f) upon these terms and conditions:

1. **Adequate accounting for reimbursed expenses[ii]**. Any person now or hereafter employed by the Organization shall be reimbursed for any properly approved ordinary and necessary business and professional expense incurred on behalf of the Organization, if these conditions are satisfied:

    A. **Reasonable and necessary expenses.** The expenses are reasonable in amount and are necessary for the employee to perform their duties.

    B. **Proper substantiation for expenses.** Written receipts from the vendor (not just credit card receipts or statements) are required for all expenditures. Receipts are required all lodging expenses and for all other expenses of $75 or more. The receipt should include the vendor's name, the date, and the total expenses including tips, if applicable. (If the goods or services provided are not obvious on the receipt, the expense report should describe the goods or services.) In addition, receipts are required for all expenditures billed directly to the organization (e.g., airfare and hotels). Receipts for meals must include the names of all persons attending the meal and the business relationship to the meeting.

C. **Appropriate information and accounting timely provided.** The employee substantiates such expenses by providing the appointed Organization representative with an accounting of such expenses no less frequently than monthly (an expense will not be reimbursed if substantiated over 60 days after the expense is paid or incurred by an employee).

2. **Approvals.** Expense reports for employees must be approved by the employee's supervisor. Officer's/Senior Leadership expense reports must be approved by the organization's Treasurer. The Treasurer's expense report must be approved by the Chairman of the Board of Elders. Persons traveling in his or her capacity as a volunteer of the Organization should have their travel approved by the appropriate management official.

3. **Reimbursable business expenses**. Examples of reimbursable business expenses include local transportation, overnight travel (including lodging and meals), entertainment, books and subscriptions, continuing professional education, and professional dues. Specific rules for certain expenses are listed below:

   A. **Travel Expense Advances.** Employees may request a travel expense advance only with the approval of the individual's immediate supervisor and the organization's Executive Pastor. Board members may request travel advances only with the approval of the Executive Pastor and the Chairman of the Board of Elders or the Treasurer of the Board of Elders. Such expense advances are generally discouraged. Any unused advance amounts shall be repaid to the organization within two weeks of travel completion.

   B. **Mileage.** When personnel must conduct business for the organization or attend meetings in other locales, they shall be reimbursed for mileage driven in personal automobiles at a rate corresponding with IRS guidelines to the extent such mileage exceeds an employee's usual commute. Board members shall be reimbursed personal mileage incurred to attend board functions.

   C. **General Travel Requirements.** All trips requiring an overnight hotel stay or airfare must be approved in advance by the individual's supervisor. Any board member travel must be approved by the Chairman of the Board of Elders. The Chairman's expenses must be approved by the Treasurer of the Board of Elders.

   No expenses incurred for the spouse (or other related parties) of the reporting party, or to accommodate the personal travel plans of the reporting party, shall be reimbursed unless the person is traveling in his or her capacity of a volunteer of the Organization and the travel has been approved by the appropriate management official.

      i. Air Travel. Reservations for air travel should be made as far in advance as possible to take advantage of lower fares. Air fares will only be reimbursed or paid for the lowest coach class fare actually available for direct, non-stop flights from the airport nearest the individual's home or office to the airport nearest the destination of the business activity. **(c)**

ii. **Ground Transportation.** When traveling on behalf of the organization, personnel shall use the most economical ground transportation suitable for the situation, and should generally use the following, in this order of preference: (1) shuttles and courtesy cars (i.e., hotel shuttles to and from the airport), (2) airport shuttle or bus, (3) taxi service, and (4) rental cars.

iii. **Parking and Tolls.** Personnel shall be reimbursed for parking and toll expenses actually incurred while travelling on behalf of the organization. Hotel parking fees are included in this policy. For short business trips, in-field airport parking is permitted; however, for extended trips, personnel must use remote facilities.

iv. **Lodging.** When travelling on behalf of the organization, personnel shall be reimbursed at the single room rate for the reasonable cost of a hotel room, using any available corporate and discount rates. "Reasonable" for this purpose will include consideration of the typical costs of hotel accommodations in the destination city and a location convenient to the business activity.

v. **Out-of-town Meals.** When travelling on behalf of the organization, personnel shall be reimbursed for the reasonable and actual cost of meals (including tips) subject to a maximum per diem meal allowance of $

D. **Cell Phones.** If management has determined that a cell phone is necessary for an employee to carry out employment duties, the monthly expense of the cell phone may be eligible for reimbursement. The reimbursement will be limited to the amount appropriate to cover the employee's business expense and not the entire family plan, if one exists. A copy of the bill should be submitted to substantiate the expense.

E. **Miscellaneous Expenses.** Other reasonable business-related expenses such as postage, shipping charges, or tips not covered under meals, are reimbursable to the extent personnel are away from their place of business and working on behalf of the organization.

4. **Non-reimbursable Expenses.** In support of the organization's focus on the judicious use of funds by an exempt organization, this policy strictly prohibits the reimbursement of any expenses in any category that could be perceived as excessive or lavish. Such expenses include but are not limited to: first class airfare or upgrades, luxury hotel accommodations, limousine travel, valet service, movies, liquor, bar costs, personal toiletries needed while traveling, and membership dues in country clubs, athletic clubs, golf clubs, or tennis clubs. Other non-reimbursable expenses include any meal that does not include a business discussion with person outside of the church staff unless preapproved by a supervisor.

5. **Reimbursements not funded out of salary reductions**. Reimbursements shall be paid out of Organization funds, and not by reducing paychecks by the amount of business expense reimbursements or by reducing annual compensation packages by an amount deemed to be the "professional expense" allowance.

6. **Tax reporting.** The Organization shall not include in an employee's W-2 form the amount of any business or professional expense properly substantiated and reimbursed according to this policy, and the employee should not report the amount of any such reimbursement as income on Form 1040.

7. **Excess reimbursements**. Any Organization reimbursement that exceeds the business or professional expenses properly accounted for by an employee pursuant to this policy must be returned to the Organization within 120 days after the associated expenses are paid or incurred by the employee, and shall not be retained by the employee.

8. **Expenses not fully reimbursed**. If the Organization's reimbursements are less than the amount of business and professional expenses properly substantiated by an employee, the Organization will report no part of the reimbursements on the employee's W-2.

9. **Inadequate substantiation**. Under no circumstances will the Organization reimburse an employee for business or professional expenses incurred on behalf of the Organization not properly substantiated according to this policy. Organization and staff understand that this requirement is necessary to prevent the Organization's reimbursement plan from being classified as a non-accountable plan.

10. **Application to church provided credit cards**. This accountable expense reimbursement policy applies to both an employee's out of pocket expenses and to expenses paid for with the Organization's credit card.

11. **Retention of records**. All receipts and other documentary evidence used by an employee to substantiate business and professional expenses reimbursed under this policy shall be retained by the Organization.

Detailed policy/procedure documents may be used in addition to this accountable expense reimbursement policy to provide further explanation and guidance regarding reimbursement guidelines and processes.

Secretary of the Board_______________________

[i] The policy should be approved or adopted by the appropriate governing body or committee of the church.
[ii] These substantiation requirements apply whether operating an expense reimbursement plan where employees are reimbursed for expenses or the employees utilize a church provided credit card.

Sample Document Retention Policy

[Name of Organization]
Document Retention and Destruction Policy

The [Name of Organization] takes seriously its obligations to preserve information relating to litigation, audits, and investigations as well as the general operations of the Organization. It is the intent of [Name of Organization] to establish an ongoing, coordinated administrative effort to systematically manage documents and records. The purpose of this policy is to ensure that documents are secure, accessible, maintained and destroyed according to business practices that are practical, while still meeting the legal requirement applicable to the organization. In addition, the policy provides administrative personnel information about the recommended minimum requirements for document retention. These guidelines are indeed to apply to both electronic and paper copy documents.

The Organization's staff is responsible for preserving the safety and confidentiality of documents in the Organization's possession. Documents should be maintained at the Organization's offices to provide for their security and preserve their usefulness to the Organization. Without specific authority to the contrary, no documents should be retained in the personal possession of a director, officer, staff member or volunteer including being stored at a personal residence, on a personal computer or as a part of a personal email account. Documents stored off premises or outside the control of the organization will not be considered as becoming a part of the Organization's documents until properly secured by the Organization. Security measures should be employed to ensure appropriate disclosure when confidential or private information is given to board members or others.

Documents should be maintained until the end of the identified retention period, and should then be destroyed in an appropriate manner. Sensitive documents such as those containing financial, account, or personnel information should be destroyed with no reasonable risk of the information being recovered. It is the responsibility of [Name of Organization's Representative or Position] to oversee the implementation of this policy including the selection of the appropriate means of document destruction.

Electronic documents are to be retained in the same manner as paper documents. Electronic documents created from paper documents may be retained rather than the paper copies as long as the documents are true and correct copies of the actual documents and are saved using [Name of Software] Due to security issues, all hard drives located in computers, printers, scanners and copiers are to be separately purged prior to the Organization disposing of any machine.

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against the Organization and its employees. Therefore, failure to comply may result in disciplinary action against responsible individuals. Compliance concerns regarding this policy should be directed to [Name of Organization's Representative or Position]. All permitted document destruction shall halt if the Organization is being investigated by a governmental law enforcement agency, and routine destruction shall not resume without the written approval of legal counsel.

The information listed in the retention schedule below is intended as a guideline and may not contain direction regarding all the records the Organization. Questions regarding documents not included on this list or actions that are not addressed as a part of this policy should be addressed to [Organization's Appropriate Representative].

File Category	Item	Retention Period
Corporate Records	Bylaws and Articles of Incorporation	Permanent
	Corporate resolutions	Permanent
	Board and committee meeting agendas and minutes	Permanent
	Conflict-of-interest disclosure forms	5 years
	Correspondence on legal, insurance and important matters	Permanent
	Correspondence – general	4 years
	Trademark registrations, patents and copyrights	Permanent
Finance and Administration	Financial statements (audited and year end prepared in house)	Permanent
	Auditor management letters	7 years
	Annual grant listing	Permanent
	Donor Credit Cards	Retain as required by Merchant Agreement
	Payroll records	7 years
	Check register and checks	7 years
	Checks for important expenditures	Permanent
	Bank deposits and statements	7 years
	Chart of accounts	7 years
	Accounts payable and receivable ledgers	7 years
	Investment performance reports	7 years
	Equipment files and maintenance records	7 years after disposition
	Contracts and agreements	7 or 10 years after all obligations end
	Correspondence — general	3 years

	Depreciation schedules	Permanent
	Donation records for endowment funds and significant restricted funds	Permanent
	Donation records	10 years
	General ledgers	Permanent
	Authorization for expenditures	3 years
	Bank statements and reconciliations	10 years
	Expense analysis/distribution schedules	7 years
	Internal reports – miscellaneous	3 years
	Invoices (from vendors or to customers)	7 years
	Payroll records and summaries	7 years
	Retirement & pension records	Permanent
Insurance Records	Policies — occurrence type	Permanent
	Policies — claims-made type	Permanent
	Accident reports	Permanent
	Safety (OSHA) reports	7 years
	Claims (after settlement)	7 years
	Group disability records	7 years after end of benefits
Real Estate	Deeds	Permanent
	Leases (expired)	Permanent
	Mortgages, security agreements	7 years after all obligations end
	Building & site drawings	Permanent
Tax	IRS exemption determination and related correspondence	Permanent
	IRS Forms 990	Permanent
	IRS Forms 990-T plus all related worksheets	Permanent
	Forms 941	Permanent
	Forms 1099	Permanent
	Forms W-2/W-3	Permanent
	Charitable Organizations Registration Statements (filed with State Attorney Generals)	7 years
Human Resources	Employee personnel files	Permanent for employees working with children or youth or 7 years after

		termination for all other positions
	Retirement plan benefits (plan descriptions, plan documents)	Permanent
	Employee handbooks	Permanent
	Workers comp claims (after settlement)	7 years
	Employee orientation and training materials	Permanent for all who work with children or youth, otherwise 7 years for everyone else
	Employment applications	3 years
	Background checks	Permanent
	IRS Form I-9 (store separate from personnel file)	Greater of 1 year after end of service, or three years
	Withholding tax statements	7 years
	Timecards	3 years
	Volunteer records	Permanent if the volunteer works with children or youth, otherwise 3 years
Technology	Software licenses and support agreements	7 years after all obligations end
	Electronic Documents (Microsoft Office, Adobe Acrobat, etc.)	Depends on subject matter
	Voice Mail	1 month in native form, subject matter determines period if transferred to a document management system
	Email	6 months in native form, subject matter determines period if transferred to a document management system