

WASHINGTON COUNTY FAIR ASSOCIATION RECORDS RETENTION

As a tax-exempt, non-profit organization, record keeping and record retention are very important. Although in many situations the requirements for a profit corporation and a non-profit corporation are identical, there are two specific considerations for the non-profit organization to have an established records retention policy:

1. 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 Washington County Fair Association's non-profit classification lies under the provisions of the Internal Revenue Code section 501(c)(3)).
2. 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 companies. 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.

The table marked as Attachment A, which is not specifically mandated by state or federal statute does provide a rational order of retention and disposal time-tables suggested by the possibility of disputes within the organization, litigation, and potential for audits by federal or state authorities. It is by no means a complete listing of organization filings. It should be used as a minimum guideline.

The activities of non-profit organizations often produce valuable intangible property that should be protected to preserve its value. The various certificates, licenses, assignments, publication agreements, copyright and trademark registrations, royalty records, and other background material should be treated and retained as **Permanent** records.

The terms "records" and "records retention" include hard paper copy, computer disks, microfilm, scanned or digitized copies, magnetic and visual media, and such other electronic communications. All operating centers are required to implement this policy and also assess such other local or internal needs as may be necessary to assure compliance with prudent business practices.

ATTACHMENT A RECORDS RETENTION POLICY

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank Reconciliations	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes and leases (expired)	7 years
Contracts (still in effect)	Permanently
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation Schedules	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense Analyses/expense distribution schedules	7 years
Year End Financial Statements	Permanently
Insurance Policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	3 years
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Patents and related Papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years