Ocean Research & Conservation Association, Inc.
(ORCA)

ACCOUNTING POLICIES & PROCEDURES MANUAL

14.24 Record Retention

Adopted: November 2014

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A schedule of record retention follows. Any discarding of records should follow this schedule. However, prior to discarding of records, the permission of the Managing Director and the Bookkeeper are required to ensure that they have no reason that an exception should be made to the policy. All discarded documents are to be shredded or sent to our recycling company, which has a confidentiality agreement with us.

For tax purposes, records should be maintained until the expiration of the statute of limitations. Generally, that period expires three years after the later of the due date of the return or the date filed. While there are a few exceptions to this rule, the three-year period normally should be adequate.

For non-tax purposes, records should be maintained only as long as they serve a business purpose or until all legal requirements are met. Unfortunately, there are not specific standards that will cover all situations. The following are some of the factors that should be considered:

Federal, state, and local statutes and regulations
Industry requirements or standards
Potential claims or litigation
Contract requirements

RECORD RETENTION SCHEDULE

Type of Record	Retention Period (Years)
Accident reports & claims	7*
Articles of incorporation, by laws	P
Assets records	7*
Bank statements, reconciliations	4
Bills of sale-assets	7*
Budgets & projections	2
Cancelled checks – general	4**
Capital stock & bond records	P
Charts of accounts	P
Check vouchers, stubs	4
Contracts & agreements	7*
Correspondence	
Credit and collection	7
Routine with customers or vendors	1
Other	4***
Credit memos	4
Damage and theft reports	7
Deeds	P
Deposit slips	4
Depreciation schedules	7*
Employee records	
Contracts	7*
Disability, unemployment claims	7
Employment applications	4
Expense reports	4
Personnel files	7*
Time reports, earnings records	4
Withholding & exemption certificates (W-2, W-4, etc.)	4*
Financial reports	
Annual, audited	P
Interim	4
Freight bills, bills of lading	4
Grant Files	P
Insurance policies & records	4
Internal reports, memos, work orders, etc.	2
Inventory records	4
Invoices	
Fixed assets	7
Sales & general expenses	4

Leases 7*
Ledgers & journals
  Cash receipts & disbursements... P
  General ledger, journal entries .... P
  Payroll journal 4
  Purchases & sales 7
  Subsidiary ledgers (receivables,
    payables, etc.)........................... 7
Licenses....................................... 4*
Minute books .... P
Mortgages..................................... 7*
Notes 7*
Pension & profitsharing records .... P
Petty cash records 4
Purchase orders, invoices............. 4
Receiving reports 4
Repair & maintenance records...... 4
Sales records & cash register
  tapes... 4
Shipping reports............................ 4
Tax returns and related records
  Income .... P
  Payroll.. 4
  Sales and use 4
Union contracts............................. P

P means records should be kept permanently

* Retention period begins with settlement of claims, disposal of asset, termination of contract, etc.

** Some should be kept longer, e.g. checks for tax payments should be kept with the tax returns, checks for asset acquisitions should be kept with bill of sale, etc.

*** Legal and important correspondence should be kept as long as the documents to which they relate.