

# NIFA

## DOCUMENT RETENTION POLICY

The purposes of this document retention policy are for the National Intercollegiate Flying Association, Inc. (NIFA) to enhance compliance with the Sarbanes-Oxley Act and to promote the proper treatment of corporate records of NIFA.

Records should not be kept if they are no longer needed for the operation of NIFA or required by law. Unnecessary records should be eliminated from the files. The cost of maintaining records is an expense which can grow unreasonably if good housekeeping is not performed. A mass of records also makes it more difficult to find pertinent records.

From time to time, NIFA may establish retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that warrant special consideration are identified below. While minimum retention periods are established, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention, as well as the exception for litigation relevant documents and any other pertinent factors.

NIFA expects all officers, directors, and employees to comply fully with any published records retention or destruction policies and schedules, provided that all officers, directors, and employees should note the following general exception to any stated destruction schedule: If you believe, or NIFA informs you, that NIFA records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then you must preserve those records until it is determined that the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records.

### Minimum Retention Periods for Specific Categories.

Accounts payable ledgers and schedules: 10 years

Accounts receivable ledgers and schedules: 10 years

Audit reports of accountants: Permanently

Bank statements: 10 years

Capital stock and bond records: A ledgers, transfer payments, stubs showing issues, record of interest coupon, options, etc.: Permanently

Cash books: 10 years

Checks (canceled, with exception below): 10 years

Checks (canceled, for important payments; i.e., taxes, purchase of property, special contracts, etc. [checks should be filed with the papers pertaining to the underlying transaction]): Permanently

Contracts and leases (expired): 10 years

Contracts and leases still in effect: Permanently

Correspondence, general: 4 years

Correspondence (legal and important matters): Permanently

Depreciation schedules: **Permanently**

Donation records of endowment funds and of significant restricted funds: Permanently

Donation records, other: 10 years

Donation records include a written agreement between the donor and the charity with regard to any contribution, an email communication or notes of or recordings of an

oral discussion between the charity and the donor where the representative of the charity made representations to the donor with regard to the contribution on which the donor may have relied in making the gift.

Duplicate deposit slips: 10 years

Electronic Mail, E-mail that needs to be saved should be either:

- (i) printed in hard copy and kept in the appropriate file; or
- (ii) downloaded to a computer file and kept electronically or on disk as a separate file.

Employee personnel records (after termination): 7 years

Employment applications: 3 years

Expense analyses and expense distribution schedules (includes allowance and reimbursement of employees, officers, etc., for travel and other expenses: 10 years

Financial statements (end-of-year): Permanently

General ledgers and end-of-year statements: Permanently

Insurance policies (expired): Permanently

Insurance records, current accident reports, claims, policies, etc.: Permanently

Internal reports, miscellaneous: 3 years

Inventories of products, materials, supplies: 10 years

Invoices to customers: 10 years

Invoices from vendors: 10 years

Journals: 10 years

Legal Files: 10 years, or longer if recommended by legal counsel

Marketing Documents: 3 years

Minutes of governance and business meetings, including Bylaws, IRS Form 1023, Application for Exemption, and Articles of Incorporation: Permanently

Official competition results: Permanently

Payroll records and summaries, including payments to pensioners: 10 years

Press Releases/Public Filings: Permanently

Purchase orders: 3 years

Sales records: 10 years

Scoring records (original copies): 3 years

Scoring records (electronic copies): Permanently

Scrap and salvage records: 10 years

Subsidiary ledgers: 10 years

Tax returns and worksheets, revenue agent reports, and other documents relating to determination of tax liability: Permanently

Time sheets and cards: 10 years

Voucher register and schedules: 10 years

Volunteer records: Permanently

**Warning:** All permitted document destruction shall be halted if the organization is being investigated by a governmental law enforcement agency, and routine destruction shall not be resumed without the written approval of legal counsel or the Executive Director.

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an email message, the message should be printed in hard copy and kept in the appropriate file or moved to an "archive" computer file folder. Backup and recovery methods will be tested on a regular basis.

Documents and financial files that are essential to keeping NIFA operating in an emergency will be duplicated or backed up regularly and maintained off site.

The Executive Director is responsible for overseeing the destruction of any records that have satisfied the required retention period. Destruction of financial and personnel-related documents will be accomplished by shredding.

Failure on the part of personnel to follow this policy can result in possible civil and criminal sanctions against NIFA and its personnel, as well as possible disciplinary action against responsible individuals. The Executive Director will periodically review these procedures with legal counsel to ensure that they are in compliance with new or revised regulations.