

**Document Retention Policy**

*Approved: 12/1/23*

**INTRODUCTION**

**A Note about Record Keeping and the Law**

Foundation recordkeeping is guided as much by best practices as by laws. The laws specify very few recordkeeping tasks for foundations. Private foundations must keep records for federal tax purposes for as long as they may be needed to document evidence of compliance with provisions of the Internal Revenue Code. This means the organization must keep records that support an item of income or deduction on a return until the statute of limitations for that return runs. The statute of limitations has run when the organization can no longer amend its return to claim a credit or refund, and the IRS can no longer assess additional tax. Generally, the statute of limitations runs three years after the date the return is due or filed, whichever is later. An organization may be required to retain records longer for other legal purposes, including state or local tax purposes. For example, an organization generally must retain information on grants for the entire period of time they are outstanding.

**About “Records”**

“Records” mean information presented in any medium, including, but not limited to, paper or electronic documents and files, written communications, emails, scanned images, and spreadsheets. Almost all business documents are acceptable by the IRS in digital form so keeping an electronic copy suffices. The only caveat to this is that Grey, Hunter, Stenn recommend keeping originals of major agreements or charter-type documents, such as: articles of incorporation, bylaws, charters, etc.

**DOCUMENT RETENTION POLICY**

**Purpose**

The purpose of a Document Retention Policy is to maintain, preserve and manage records that are needed to comply with regulatory requirements, to meet management and operational needs, and to protect the interests of the Foundation and its Directors, Officers, and Employees, as required by law and/or prudent business practices.

**General Retention Obligations**

Directors, Officers, and Employees must retain the Records listed in the record Retention Schedules for the periods of time set forth on that schedule.

**Administration**

The Foundation’s President shall oversee the administration of this Policy. The President may delegate to one or more employees the authority to carry out the President’s responsibilities under this paragraph but shall retain the ultimate responsibility for the administration of this Policy.

**Record Retention Schedule**

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| --- | --- |
| **Permanent Records** | |
| **Description of record(s)** | **Location of Record** |
| Articles of incorporation | Electronic: DFH Legal Drive on Share Point  Hard Copy: Brown, Hay, Stephens (BHS) |
| IRS Form 1023 to file for tax-exempt and/or charitable status | Electronic: DFH Legal Drive on SharePoint  Hard Copy: BHS |
| IRS Letter of Determination granting tax-exempt and charitable status | Electronic: DFH Legal Drive on SharePoint  Hard Copy: BHS |
| ByLaws | Electronic: DFH Legal Drive on SharePoint  Hard Copy: BHS |
| Board meeting minutes | Electronic: DFH Legal Drive on SharePoint  Hard Copy: BHS |
| TFF Annual Reports | Electronic: DFH Legal Drive on SharePoint  Paper:Dot Archives |
| Current Board Policies | TFF Shared Drive (Dot One Drive) |
| Board Resolutions | Electronic: DFH Legal Drive on SharePoint |
| Annual tax returns (Form 990-PF) | Electronic: DFH Legal Drive on SharePoint |
| IL Attorney General Reports | Electronic: DFH Legal Drive on SharePoint |
| Sales Tax Exemption documents | Electronic: DFH Legal Drive on SharePoint |
| Audits | Electronic: DFH Legal Drive on SharePoint |
| Annual Financial Statements | Electronic: Dot One Drive |
| IRS determination & decision letters | Electronic: DFH Legal Drive on SharePoint  Hard Copy: BHS |
| **Records to be Kept for 7 Years** | |
| **Description of record(s)** | **Location of Records** |
| Bank statements | Electronic: Banks where TFF has accounts |
| Investment Manager Reports | Electronic: TFF Investment Advisor Firm &  Dot OneDrive |
| General IRS Correspondence | Electronic: Dot One Drive |
| Grant Applications | CyberGrants |
| Grant Receipts | TFF Shared Drive |
| Invoices substantiating the acquisition cost of each unit of property. See Capitalization Policy. | Dot One Drive |
| Personnel records | Dot Foods |
| W-2s, worker’s comp, pension, retirement, payroll, and related documents. | Dot Foods |
| Contracts, leases, and mortgages | Electronic: Dot One Drive |
| Insurance Policies | Electronic: Dot One Drive. Insurance carrier. |

**Purging Records**

Staff should discard or destroy documents appropriately and only when the documents should not be retained under this policy. The procedure should ensure that:

* The documents have reached the end of their retention period and are no longer useful to the conduct of the Foundation’s business,
* The documents are not related to an investigation or inquiry by legal authority outside the Foundation,
* The documents are destroyed in an appropriate manner.
* For those Records that should be purged after seven years, the disposition should take place AFTER the tax return for a year is filed (making the disposition rule almost 8 years, in practice).

**Lawsuits or Government Investigations**

If a Director, Officer, or Employee personally becomes aware of a reasonable possibility that the Foundation will be involved in any manner in a lawsuit or a government investigation, or such persons are informed of this by the board Chair or President no Records relevant to the subject matter of the lawsuit or investigation shall be discarded.