

Alabama Nonprofits

Records Management Guidelines & Model Records-Retention Schedule

Background

Alabama's nonprofit organizations improve the quality of life for all Alabamians in critical areas such as social services, physical and mental health, education, culture, human rights, and environmental preservation. They serve and strengthen our communities by tackling social problems, advocating for the disadvantaged, and providing cultural and educational enrichment. At the same time, they also drive economic growth and employment. While nonprofits are distinctive from government entities in their legal authority, governance, and funding, they share a similar responsibility to be good stewards of their resources and to retain records that provide evidence of their operations.

Purpose

This model records schedule provides a guide for the retention and disposition of nonprofit records. It is based on the recommendations of the Records Management Section at the Alabama Department of Archives and History but is not legally binding on Alabama nonprofit organizations. Although created primarily for the benefit of historical and cultural organizations, the schedule can be a useful model for a wide variety of nonprofits.

An effective records management policy helps nonprofit organizations to comply with government regulations and tax laws. Nonprofits must keep books and records that document their compliance with tax rules and show that they qualify for tax-exempt status. This schedule provides general information on records management, but it does not constitute legal or tax advice. Nonprofits should consult their attorney or tax preparer to ensure compliance with applicable law.

Beyond regulatory and legal compliance, properly managed records are a financial and practical asset to any organization. Effective records management results in more efficient operation of the organization and enhanced public service.

Federal, state, and IRS regulations require certain nonprofit records to be kept permanently. Such records and any other records of enduring historical value should be permanently retained within the organization or transferred to a repository where professional archivists can secure and preserve them.

Nonprofits should cease all records destruction in the case of expected or actual litigation, governmental audit, or governmental investigation – regardless of the stated retention in this model document.

Records Management Guidelines

Categories of Records

Records

Records include all paper, electronic, or other formats that document organizational business.

Permanent Records

Permanent records are records with high administrative, fiscal, legal, and/or historical value that document the core functions of an organization. Examples include foundational documents, board and committee meeting files, significant published materials, important financial records, and records of major donations.

Temporary Records

Temporary records are kept for a designated period of time. This model records schedule lists retention periods for many of the types of record an organization creates. Organizations should document the destruction of obsolete temporary records and maintain this documentation.

Transitory Records

Transitory records are records of limited usefulness which are produced or received in the course of routine actions, in the preparation of other records which replace them, or for convenient reference. Examples include:

- Working documents, such as drafts or preliminary versions
 - Exception: Where a final, official version of a document does not exist, the latest draft should be retained
 - Exception: Drafts differing substantially from the final version demonstrate the author’s decision-making process and should be retained for their research significance
- Duplicate records where the “official” copy is maintained elsewhere
- Non-auditable surplus, such as blank forms, stationery, or templates
- Routine emails such as requests for meetings and thank-you messages
- Notices of internal social events, such as baby showers

Transitory records may be deleted or destroyed at any time, without documentation of destruction.

Non-Records

Non-records do not document an organization's functions, transactions, or policies.

Examples of non-records include:

- Reference materials such as catalogs, trade journals, and other publications received that require no action and do not document organizational activity
- Listserv and newsgroup messages that have no substantive business value
- Unsolicited/Spam email that have no substantive business value

Non-records may be deleted or destroyed at any time, without documentation of destruction.

Electronic Records Maintenance

The content of a record, rather than its format or storage location, determines retention. Electronic records are therefore subject to the same retention requirements as the same type of records in other formats or media. Electronic records include, but are not limited to, Microsoft Office files, email messages, digital photographs, and websites.

Electronic Files

Using a shared drive allows multiple users to access the same files. Staff members should ensure that records are saved to the appropriate location on the shared drive. If multiple staff members work in the same folder on the shared drive, everyone should use the same organizational and naming approach to avoid confusion. Avoid using special characters such as spaces, commas, and periods in file names, and use underscores instead of spaces. Special characters in file names can cause files to become corrupt and irretrievable.

Whether dealing with paper or electronic records, using folders helps with organization. When sorting electronic records, consider making the highest-level folders correspond with the types of records listed in this records-retention schedule. Then, create sub-folders based on subject, date, event, or other organizational approach. No matter the approach, consistency is key.

- Organization_PublicityFiles
 - 2019_02
 - 2019_02_06_CharityAuction
 - 2018_02_01_CharityAuction_PressRelease.docx
 - 2019_02_02_CharityAuction_Invitation.pdf
 - 2019_02_05_CharityAuction_Remarks.docx
 - 2019_02_06_CharityAuction_Agenda.pdf

- 2019_02_11_DonorBreakfast
 - 2019_02_11_DonorBreakfast_Agenda.docx
 - 2019_02_11_DonorBreakfast_Invitation.pdf
 - 2019_02_11_DonorBreakfast_Speech.pdf
- 2019_02_20_FoodProgramAnnoucement
 - 2019_02_20_FoodProgramAnnoucement_PressRelease.pdf

Photographs and Audiovisual Recordings

Photograph and audiovisual files should be named and organized in folders for specific events. Folder names should include the event date and name. A supplementary text file, Word document, or other similar file within each folder can provide essential contextual information about the event, location, and individuals photographed or recorded.

Consider storing edited photos in a separate folder entitled “Edits.” Deleting extraneous photos is highly recommended, as retaining all photos takes up storage space unnecessarily and hinders users’ ability to locate the best photos. Storing the best photo(s) of a series in another separate folder enables users to better identify and preserve permanent photos. Similarly, for audiovisual recordings, store final footage separately from raw footage.

Email

Email accounts may contain permanent, temporary, transitory, or non-record information. Although emails can be printed out, filed, and retained according to this records-retention schedule, the organization should preferably employ an electronic records management system that is capable of sorting email into folders and archiving messages of long-term value. A system of folders helps individuals to separate transitory, temporary, and permanent records and can help to ensure that important records are not accidentally lost or misplaced. Folders for temporary records should include the appropriate destruction date of the records contained within. Organizations may wish to save important email messages as PDF documents so they will not be lost in the event of staff turnover.

Websites

The Internet Archive’s “Wayback Machine” is a webcrawler that allows users to archive websites and access archived websites for free. To capture an organization’s web page as it appears now, visit <https://web.archive.org/> and enter the website URL under “Save Page Now.” Perform this crawl annually in order to capture snapshots of the website over time.

Destroying Temporary Records

Temporary records may be destroyed after satisfying the organization's retention policy, presuming no litigation, governmental audit, or governmental investigation applies or is expected to apply to the records.

This model retention schedule recommends the minimum amount of time records should be maintained. Records may be maintained for longer if they are actively used or referenced by the organization. Once records are no longer useful, prompt destruction eliminates bulk and reduces the time required to locate records.

When destroying temporary records, ensure that the destruction is irreversible. Sensitive paper records should be incinerated, shredded, or otherwise destroyed so that the records are unreadable. For non-sensitive electronic records stored on network drives or other electronic devices, deletion will suffice. To destroy sensitive electronic records, consider options such as overwriting, degaussing for magnetic media, or physically destroying storage media.

Documenting records destruction will facilitate transparency and be helpful for staff members looking for records that may or may not have been destroyed. Organizations can maintain a log of records destruction in a spreadsheet or fill out a destruction form for each instance of destruction. Document essential information such as:

- Destruction date
- Record type
- Minimum retention
- Inclusive dates (the year(s) in which these records were created)
- Volume (the volume of the paper records being destroyed in cubic feet and/or electronic records being destroyed in bytes)
 - Note: One box of copy paper equals about one cubic foot. One legal-sized file drawer equals about two cubic feet.

Preserving Permanent Records

Permanent paper records should be stored so that they are protected from possible damage. Light, heat, humidity, and pests are common threats to paper records. Ensure the storage location for paper records meets the following conditions:

- Security
 - The site is not accessible by anyone other than staff members and is protected against theft.

- Climate control
 - The storage location temperature ranges from 65 to 75 degrees and the humidity ranges from 45 to 55 percent, without rapid variation or fluctuation. The climate-control system is not turned off at night or over weekends.
- Environmental protection
 - The storage site is serviced regularly for pest control.
 - Upper shelves are clear of light fixtures, ducts, and overhanging water pipes. If this is not possible, records are not placed on upper shelves.
- Supervision
 - The storage site is monitored regularly to check for dangers such as fire, flooding, leaks, and pests.

Organizations may keep a large inventory containing hundreds or thousands of duplicate permanent paper records, such as programs or brochures. Once the active life of these records has expired, save the original electronic version and, if desired, three to four paper copies for permanent preservation. The remainder of the paper copies may be discarded.

Permanent electronic records should meet the file format recommendations of the Library of Congress, available at the following webpage:

<https://www.loc.gov/preservation/resources/rfs/index.html>.

Organizations should develop procedures for (1) backing up all permanent records held in electronic format, (2) storing a back-up copy in an off-site, environmentally controlled location, and (3) migrating all permanent records when the system is upgraded or replaced. Backing up records helps to protect the organization in the event of cyberattack.

If your organization has records of permanent historical value that are no longer actively referenced, please contact an archival institution to discuss the donation of these records.

Records-Retention Schedule

The following retention schedule recommends the minimum amount of time each type of record should be maintained. Organizations may choose to maintain records for longer if the records are still being used or referenced by the organization. Organizations may elect to adapt this schedule based on their own unique needs, input from legal and accounting professionals, or guidance from affiliated or umbrella national organizations. These guidelines *do not* constitute legal or tax advice.

Governance

Articles of Incorporation or Charter*

Disposition: PERMANENT RECORD.

Organizational Bylaws and Amendments*

Disposition: PERMANENT RECORD.

Application and Determination Letter for Recognition of Exemption (Form 1023, 1023 EZ)

(Required to be made available upon request for public inspection)

Disposition: PERMANENT RECORD.

Alabama Secretary of State Nonprofit Corporation Registration Filing

Disposition: PERMANENT RECORD.

Alabama Charitable Organization Registration and Annual Attorney General Filing

Disposition: PERMANENT RECORD.

Board and Committee Meeting Minutes, Agendas, and Packets*

Disposition: PERMANENT RECORD.

Internal Policies and Procedures (including Whistleblower and Conflict-of-Interest Policies)

Disposition: PERMANENT RECORD.

Files about Board Members

a. Biographical Data and Other Historical Documentation*

Disposition: PERMANENT RECORD.

b. Other Files

Disposition: Temporary Record. Retain 5 years after board term expires.

* These records have permanent, historical value.

Fundraising and Membership

Records of Donations (may include correspondence, pledge or commitment forms, a financial database, or other record formats)

- a. Records of Significant Donations as Determined by the Organization (may include large restricted donations, multi-year donations, et al.)**
Disposition: PERMANENT RECORD.
- b. Records of Donations that Span Multiple Years**
Disposition: Temporary Record. Retain 7 years after the final pledge payment.
- c. Records of Restricted Donations**
Disposition: Temporary Record. Retain 7 years after fulfillment of the purpose of the restriction.
- d. Records of Planned-Giving Donations**
Disposition: Temporary Record. Retain 7 years after the receipt of bequest or fulfillment of any restricted purpose.
- e. Records of Other Donations**
Disposition: Temporary Record. Retain 7 years after filing Form 990 or its equivalent.
- f. Donor Files including Donor-Relations Database**
Disposition: Temporary Record. Retain for useful life.

Fundraising and Special Event Files

- a. Final Narrative Reports and Samples of Publicity Materials***
Disposition: PERMANENT RECORD.
- b. Critical Planning Documentation**
Disposition: Temporary Record. Retain 5 years.
- c. Lists of Attendees or Participants, Attendance Logs and Sign-in Sheets, Program Evaluation Forms, and other records**
Disposition: Temporary Record. Retain until completion of final narrative report. If no report is required, retain for useful life.
- d. Generated Revenue and Sales Receipts**
Disposition: Temporary Record. Retain 7 years after filing Form 990 or its equivalent.

* These records have permanent, historical value.

Fundraising Letters and Emails (sample of the letter)

Disposition: Temporary Record. Retain for 2 years.

Membership Files and Lists (if different from Donor Files)

Disposition: Temporary Record. Retain for useful life.

Volunteer Files

- a. **Volunteer Program Administrative Files (including lists of names, addresses, and work assignments; documentation of training and volunteer appreciation activities)**

Disposition: Temporary Record. Retain for useful life.

- b. **Files on Individual Volunteers (including applications, work histories, publicity articles, service awards)**

Disposition. Temporary Record. Retain 5 years after last contact with volunteer.

Programs and Activities

The core work performed by an organization in service of its mission.

Program Reports and Final Narratives*

Disposition: PERMANENT RECORD.

Program Working Files

Disposition: Temporary Record. Retain for useful life.

Educational Events, Exhibitions, and Public Programming Files

- a. **Final Narrative Reports and Samples of Publicity Materials***

Disposition: PERMANENT RECORD.

- b. **Critical Planning Documentation**

Disposition: Temporary Record. Retain 5 years.

- c. **Lists of Attendees or Participants, Attendance Logs and Sign-in Sheets, Program Evaluation Forms, and other records**

Disposition: Temporary Record. Retain until completion of final narrative report. If no report is required, retain for useful life.

- d. **Generated Revenue and Sales Receipts**

Disposition: Temporary Record. Retain 7 years after filing Form 990 or its equivalent.

* *These records have permanent, historical value.*

Client Files

Client files include documentation on those individuals served by nonprofits through funding, services, or other outreach programs.

- a. Client Administrative Files (including lists of names, addresses, and other information)**
Disposition: Temporary Record. Retain for useful life.
(Consider potential litigation and statute of limitations in the retention of these records.)
- b. Minor client administrative files (including lists of names, addresses, and other information)**
Disposition: Temporary Record. Retain until client reaches the age of majority.

Communications and Outreach

Annual and Other Periodic Reports*

Disposition: PERMANENT RECORD.

Special Reports*

Disposition: PERMANENT RECORD.

Attendance and Outreach Reports

Disposition: Temporary Record. Retain for 5 years.

Informational and Promotional Materials

- a. Sampling of Final Product***
Disposition: PERMANENT RECORD.
- b. Working Files**
Disposition: Temporary Record. Retain for useful life.

Photographs and Videos

- a. Selection of Best Photographs***
Disposition: PERMANENT RECORD.
- b. Final Edited Videos***
Disposition: PERMANENT RECORD.
- c. Other Photographs and Videos**
Disposition: Temporary Record. Retain for useful life.

** These records have permanent, historical value.*

Website and Social Media Accounts

a. Website Snapshot

(Take a capture of website every year using the Internet Archive Wayback Machine at archive.org/web)

Disposition: PERMANENT RECORD, maintained at archive.org/web.

b. Records Documenting Major Campaigns or Projects

Disposition: Temporary Record. Retain for 5 years.

c. Records Documenting Engagement Statistics

Disposition: Temporary Record. Retain for 5 years.

Managing the Organization

Strategic Plans

Disposition: PERMANENT RECORD.

Routine Correspondence

Disposition: Temporary Record. Retain 2 years.

Legal Correspondence

a. Significant Legal Correspondence

Disposition: PERMANENT RECORD.

b. Other Legal Correspondence

Disposition: Temporary Record. Retain 10 years.

Insurance Policies and Claims/Risk Management Records

Disposition: Temporary Record. Retain 7 years after termination of policy or membership.

Emergency and Disaster Response Plans

Disposition: Temporary Record. Retain until superseded.

Accident and Incident Reports

Disposition: Temporary Record. Retain 5 years.

Administrative Reference Files

Disposition: Temporary Record. Retain for useful life.

Government-Relations Files (including drafts of proposed organization-sponsored legislation, requests for funding, and legislative tracking)

Disposition: Temporary Record. Retain for 7 years.

Computer Systems Documentation (including hardware/software specifications and warranties)

Disposition: Temporary Record. Retain until the hardware and software are no longer in use and all permanent records have been migrated to a new system.

Finances

Audit Report

Disposition: PERMANENT RECORD.

Annual Financial Statements (including balance sheets, income statements, statements of cash flow)

Disposition: PERMANENT RECORD.

Year-End Budget Reports

Disposition: PERMANENT RECORD.

General Ledgers

Disposition: Temporary Record. Retain for 10 years.

Annual Return of Organization Exempt from Income Tax Filing (Form 990, 990-EZ, 990-N)

(Required to be made available upon request for public inspection)

Disposition: PERMANENT RECORD.

State and Local Tax Returns and Filings

Disposition: PERMANENT RECORD.

Business License Records

Disposition: Temporary Record. Retain 7 years after filing Form 990 or its equivalent.

Unrelated Business Income Tax Return (Form 990-T)

(Required to be made available upon request for public inspection)

Disposition: Temporary Record. Retain 7 years after filing Form 990 or its equivalent.

Endowment Records

Disposition: PERMANENT RECORD.

Grant Records

a. Records documenting the application for, award of, receipt and disbursement of, and reporting of expenditure of grant funding

Disposition: Temporary Record. Retain 7 years after submission of final expenditure report or as required by the grant, whichever is longer.

b. Records documenting the unsuccessful application for grants and federal funds

Disposition: Temporary Record. Retain 1 year.

c. Final Narrative Report*

Disposition: PERMANENT RECORD.

d. Data Management Plan

The data management plan, required by federally funded grants and potentially required by other sources, may include, but is not limited to, such information as to what data is collected, if the data is restricted or publicly available, what information will be provided to the funding institution, and how and where the information will be stored. The data management plan is crucial in providing background documentation of research and results.

Disposition: PERMANENT RECORD.

e. Research Data/Findings

Disposition: Retain as specified by the data management plan.

Records documenting the preparation of the budget and reporting of the status of funds

Disposition: Temporary Record. Retain 7 years after filing Form 990 or its equivalent.

Records documenting the requisitioning and purchasing of supplies and equipment, receipting and invoicing for goods or services, and authorizing payment for products

Disposition: Temporary Record. Retain 7 years after filing Form 990 or its equivalent.

Records of original entry or routine accounting transactions, such as journals, registers, and ledgers, and records of funds deposited

Disposition: Temporary Record. Retain 7 years after filing Form 990 or its equivalent.

Purchase and Repair Order Documents

Disposition: Temporary Record. Retain for life of warranty.

Records documenting travel on official business and other related materials, such as travel reimbursement forms and itineraries

Disposition: Temporary Record. Retain 7 years after filing Form 990 or its equivalent.

* These records have permanent, historical value.

Records documenting contracts or agreements for services or personal property

Disposition: Temporary Record. Retain 7 years after expiration of the contract.

Human Resources

Personnel Files (records documenting an employee's work history, including employee contracts)

Disposition: Temporary Record. Retain 7 years after separation of the employee from the agency.

Intern and Fellow Files

Disposition: Temporary Record. Retain 7 years after separation from the agency.

Job Position Descriptions

Disposition: Temporary Record. Retain 10 years.

Retirement and Pension Records

Disposition: PERMANENT RECORD.

Job Recruitment Materials

Disposition: Temporary Record. Retain 1 year.

Application and Resumes

Disposition: Temporary Record. Retain 1 year.

Personnel and Training Manuals

Disposition: Temporary Record. Retain until superseded.

Professional Development Materials (not produced by the organization, such as conference packets, journals, and listserv emails)

Disposition: Temporary Record. Retain for useful life.

Records Documenting Payroll (e.g. pre-payroll reports, payroll check registers)

Disposition: Temporary Record. Retain 7 years after filing Form 990 or its equivalent.

Employment Tax Records and Returns

Disposition: Temporary Record. Retain 7 years after filing Form 990 or its equivalent.

Records documenting employee hours worked, leave earned, and leave taken

Disposition: Temporary Record. Retain 7 years after filing Form 990 or its equivalent.

Records Documenting Equal Employment Opportunity Commission (EEOC) Charges of Discrimination and Case Files

Disposition: Temporary Record. Retain 10 years.

Records Documenting Workers' Compensation Claims

Disposition: Temporary Record. Retain 10 years.

Records documenting the administration of the unemployment compensation program

Disposition: Temporary Record. Retain 7 years after conclusion of eligibility.

Employee Benefit Plans

Disposition: Temporary Record. Retain 7 years after final payment.

Properties, Facilities, and Resources

Trademarks, Copyrights, and Patents Held by the Organization

Disposition: PERMANENT RECORD.

Inventory Lists

Disposition: Temporary Record. Retain for useful life.

Records documenting the use, maintenance, ownership, insurance, and disposition of vehicles owned by the organization

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the vehicle was removed from the property inventory.

Records Documenting Vehicle Use/Mileage

Disposition: Temporary Record. Retain 1 year.

Facilities/Building Security Records (including visitor logs)

Disposition: Temporary Record. Retain for useful life.

Deeds and Mortgages

Disposition: PERMANENT RECORD.

Deeds of Gift, Accession, and Deaccession Files for Cultural or Historic Institutions

Disposition: PERMANENT RECORD.

Collections Management Policies for Cultural or Historic Institutions

Disposition: PERMANENT RECORD.

Memorandum of Understanding and Loan Agreement for Cultural or Historic Institutions

Disposition: Temporary Record. Retain for the life of the agreement.

Control Files for Cultural or Historic Institutions

Disposition: PERMANENT RECORD.

Documentation Related to Inclusion on National or Other Registries

Disposition: PERMANENT RECORD.

Property Rental or Leasing Records

Disposition: Temporary Record. Retain 7 years after the termination of lease or rental agreement.

Property Maintenance Records**a. Routine Maintenance**

Disposition: Temporary Record. Retain for useful life.

b. Significant or Warrantied Maintenance

Disposition: Temporary Record. Retain 5 years or 1 year after the end of the warranty.

Permanent Records List

Governance

- Articles of Incorporation or Charter*
- Organizational Bylaws and Amendments*
- Application and Determination Letter for Recognition of Exemption (Form 1023, 1023 EZ) (*Required to be made available upon request for public inspection*)
- Alabama Secretary of State Nonprofit Corporation Registration Filing
- Alabama Charitable Organization Registration and Annual Attorney General Filing
- Board and Committee Meeting Minutes, Agendas, and Packets*
- Internal Policies and Procedures (including Whistleblower and Conflict-of-Interest Policies)
- Files about Board Members (Biographical Data and Other Historical Documentation)*

Fundraising and Membership

- Records of Significant Donations as Determined by the Organization (may include correspondence, pledge or commitment forms, a financial database, or other record formats) (may include large restricted donations, multi-year donations, et al.)
- Fundraising and Special Event Files (Final Narrative Reports and Samples of Publicity Materials)*

Programs and Activities

The core work performed by an organization in service of its mission.

- Program Reports and Final Narratives*
- Educational Events, Exhibitions, and Public Programming Files (Final Narrative Reports and Samples of Publicity Materials)*

Communications and Outreach

- Annual and Other Periodic Reports*
- Special Reports*
- Informational and Promotional Materials (Sampling of Final Product)*
- Photographs and Videos (Selection of Best Photographs and Final Edited Videos)*
- Website and Social Media Accounts (Website Snapshot) (*Take a capture of website every year using the Internet Archive Wayback Machine at archive.org/web*)

Managing the Organization

- Strategic Plans
- Legal Correspondence (Significant Legal Correspondence)

Finances

- Audit Report
- Annual Financial Statements (including balance sheets, income statements, statements of cash flow)
- Year-End Budget Reports
- Annual Return of Organization Exempt from Income Tax Filing (Form 990, 990-EZ, 990-N *Required to be made available upon request for public inspection*)
- State and Local Tax Returns and Filings
- Endowment Records
- Grant Records (Final Narrative Report* and Data Management Plan) *(The data management plan, required by federally funded grants and potentially required by other sources, may include, but is not limited to, such information as to what data is collected, if the data is restricted or publicly available, what information will be provided to the funding institution, and how and where the information will be stored. The data management plan is crucial in providing background documentation of research and results.)*

Human Resources

- Retirement and Pension Records

Properties, Facilities, and Resources

- Trademarks, Copyrights, and Patents Held by the Organization
- Deeds and Mortgages
- Deeds of Gift, Accession, and Deaccession Files for Cultural or Historic Institutions
- Collections Management Policies for Cultural or Historic Institutions
- Control Files for Cultural or Historic Institutions
- Documentation Related to Inclusion on National or Other Registries