

North Cape Lutheran Church Information & Document Retention Policy 2-4

Date Accepted: February 8th, 2018

Date Revised: _____

Policy Statement:

It is the policy of NCLC to maintain accurate records and maintenance of information within church offices, cloud based memory technology and paper files as appropriate for a period of time as outlined in the practice below. Document Retention is an important asset to North Cape Lutheran Church and its members.

Practice:

The records of North Cape Lutheran Church and its ministry to the congregation are important assets. Church records include essentially all records you produce as an employee, Board Member or Ministry Leader whether paper or electronic. A record may be as obvious as a memorandum, an e-mail, a contract or a special project, or something not as obvious, such as a computerized desk calendar, an appointment book or an expense record.

The law requires a Church organization to maintain certain types of records, usually for a specified period of time. Failure to retain those records for those minimum periods could subject you to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place the Church in contempt of court, or seriously disadvantage the Church or Board Members in litigation.

The Church expects all employees, Ministry Leaders and Board Members to fully comply with any published records retention or destruction policies and schedules. There is but one general exception to any stated destruction schedule: If you believe, or the Church informs you, that records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then you must preserve those records indefinitely. That exception supersedes any previously or subsequently established destruction schedule for those records.

Each year the Board led by the Vice President should review retention policies and scheduled cleansing of files or records for specified categories in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property, access to critical information, etc. Several categories of documents that bear special consideration are identified below. While minimum retention periods are suggested, 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 identified above, as well as any other pertinent factors.

- A. Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of deductions, business costs, accounting procedures, and other documents concerning the Churches revenues. Tax records should be retained for at least six years from the date of filing the applicable return.

- B. Employment Records/Personnel Records. State and federal statutes require the Church to keep certain recruitment, employment and personnel information. The Church should also keep personnel files that reflect performance reviews and any complaints brought against the Church or individual employees under applicable state and federal statutes. The Church should also keep all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel in the employee's personnel file. Employment and personnel records should be retained for six years.

- C. Board and Board Committee Materials. Meeting minutes should be retained in perpetuity in the Churches minute book. A clean copy of all Board and Board Committee materials should be kept for no less than three years by the Company.
- D. Press Releases/Public Filings. The Church should retain permanent copies of all press releases and publicly filed documents under the theory that the Church should have its own copy to test the accuracy of any document a member of the public can theoretically produce.
- E. Legal Files. Legal counsel should be consulted annually to determine the retention period of particular documents, but legal documents should generally be maintained for a period of ten years.
- F. Expenses, Purchases and Sale Documents. The Church should keep final copies of Expenses, Purchases or Sales documents for the same period of time it keeps other church files, generally three years.
 - i. An exception to the three-year policy may be sales invoices, contracts, leases, licenses and other legal documentation. These documents should be kept for at least three years beyond the life of the agreement.
- G. Development/Intellectual Property and Trade Secrets. Development documents are often subject to intellectual property protection in their final form (e.g., patents and copyrights). The documents detailing the development process are often also of value to the Church and are protected as a trade secret where the Church:
 - i. derives independent economic value from the secrecy of the information; and
 - ii. the Church has taken affirmative steps to keep the information confidential.
 The Church should keep all documents designated as containing trade secret information for at least the life of the trade secret.
- H. Contracts. Final, execution copies of all contracts entered into by the Church should be retained. The Church should retain copies of the final contracts for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.
- I. 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.
 The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy and within the Communication policy 2-7
- J. Membership documentation, updates and submission annually to the GM Synod is owned by the Senior Pastor and is stored for seven years on the Church website

Failure to comply with this Information and Document Retention Policy may result in punitive action which may include termination. Church employees, Board Members and Ministry Leaders are all responsible for management of information and documents. Questions about this policy or issues with lack of appropriate management should be referred to the Pastor, Board President or Vice President for review and disposition. Annual policy administration and updates are the responsibility of the Board Vice President.

RECORD RETENTION GUIDELINES

The guidelines below give retention periods for the most common records.

ACCOUNTING RECORDS	RETENTION PERIOD	Owner
Accounts payable	7 years	Treasurer
Accounts receivable	7 years	Treasurer
Audit Reports	Permanent	Treasurer
Chart of Accounts	Permanent	Treasurer
Contribution records	7 years	Treasurer
Annual Budgets	7 years	Treasurer
Expenses records	7 years	Administrative Secretary
Financial statements (annual)	Permanent	Treasurer
Fixed asset purchases	Permanent	Treasurer
General Ledger	Permanent	Treasurer
Loan payment schedules	7 years	Treasurer
Form 1099-MISC	7 years	Treasurer

BANK RECORDS		
Bank reconciliations	2 years	Treasurer
Bank statements	7 years	Treasurer
Canceled checks	7 years	Treasurer
Electronic payment records	7 years	Treasurer

CHURCH RECORDS		
Board Minutes	Permanent	Board Secretary
Bylaws	Permanent	Vice President
Membership Records	Permanent	Senior Pastor
Contracts – major	Life + 4 years	Administrative Secretary
Contracts – minor	Life + 3 years	Administrative Secretary
Insurance policies	Permanent	Administrative Secretary
Leases/mortgages	Permanent	Administrative Secretary
**Historical Archives	Permanent	Church Historian
Form 990-T	7 years	Administrative Secretary

EMPLOYEE RECORDS		
Benefit plans	Permanent	Personnel Committee Chair
Employee files (includes ex-employees)	7 years	Sr Pastor
Sr Pastor Records and annual review	7 years	Personnel Committee Chair
Employment taxes	7 years	Administrative Secretary
Payroll records	7 years	Administrative Secretary
Retirement plans	Permanent	Administrative Secretary
Employment applications (All)	3 years	Administrative Secretary
Form W-2, W-4, 941	7 years	Administrative Secretary
Time Sheets/Leave Requests	3 years	Administrative Secretary

REAL PROPERTY RECORDS		
Construction records	Permanent	Property Manager
Bid Proposals	7 years	Property Manager
Architectural Documents	Permanent	Church Historian
Real estate purchases	Permanent	Property Management

** Historical Archives include key milestones in church history, photographs, major investments to property, Church Leadership changes, etc