

## Sample Document and Retention Policy

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 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 of local tax purposes.<sup>1</sup>

### Record Retention Periods

Record retention periods vary depending on the types of records and returns.

**Permanent Records** – Some records should be kept permanently. These include the application for recognition of tax-exempt status, the determination letter recognizing tax-exempt status, and organizing documents, such as articles of incorporation and by-laws, with amendments, and well as board minutes.

**Employment Tax Records** – If an organization has employees, it must keep employment tax records for at least four years after the date the tax becomes due or is paid, whichever is later.

**Records for Non-Tax Purposes** – When records are no longer needed for tax purposes, an organization should keep them until they are no longer needed for non-tax purposes. For example, a grantor, insurance company, creditor, or state agency may require that records be kept longer than the IRS requires.

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<sup>1</sup> IRS Publication 4221, Compliance Guide for 501 (c) (3) Tax-Exempt Organizations