

**FOUNDATION FOR THE ADVANCEMENT  
OF THE PARALEGAL PROFESSION  
Records Retention Policy**

The purpose of this Records Retention Policy (“Policy”) is to protect the tax-exempt status of the **Foundation for the Advancement of the Paralegal Profession** (hereinafter referred to as “FAPP”). Further, the purpose of this Policy is to ensure that all Records (as defined below) necessary for business and compliance reasons will be retained for a period of time that will reasonably assure their availability when needed, but for no period of time longer than reasonably necessary. This Policy is intended to supplement but not replace any state and federal laws governing the destruction of documents and records applicable to nonprofit and charitable organizations.

WHEREAS, proper maintenance of corporate documents and records is critical from both management and legal aspects. An organization's preparedness for financial or IRS audit, legal action and/or response, public inquiry, and loss by theft or natural catastrophe, among other things, depends largely on keeping accurate records for as long as necessary; and

WHEREAS, the following is a listing of recommended retention times for several types of corporate records (the list is categorized according to the recommended length of time to retain certain documents) as recommended by the Internal Revenue Service for non-profit and charitable corporations:

**Permanent Records:**

**Accounting**

1. Audit reports of accountants
2. Checks used for important payments; *i.e.*, taxes, property, etc.
3. Fixed asset records, including depreciation schedules
4. End-of-year financial statements
5. Tax and information returns (State and Federal)
6. Grant applications, reports and related documents (also to be maintained in accordance with the grant funders' requirements)

**Legal**

1. Articles of Incorporation and bylaws
2. Corporate charter, constitution
3. IRS examinations, rulings comments
4. Litigation – related documents
5. Board and executive committee minutes
6. Tax-exemption application (Form 1023) and approval letter
7. Insurance matters (policies, claims, accident and fire inspection reports)

8. Contracts and leases (active)
9. Leases

**Seven Years:**

**Accounting**

1. Bank statements and canceled checks
2. Brokerage statements
3. Donor contributions (numbered receipts)
4. General ledger and journals
5. Sales invoices
6. Credit card statements

**Legal**

1. Loss/Accident reports and claims made to insurance (after settlement)
2. Contracts and leases (expired)
3. Employment tax records

**Three Years:**

**Accounting**

1. Accounts payable and receivable documents
2. Bank reconciliations
3. Invoices (after payment)
4. Monthly financial reports and statements
5. Working papers (accounting, budgets, cash flow, audits)

**Legal**

1. Service contracts (after termination)

WHEREAS, All FAPP directors, officers, employees, committee members, volunteers, agents and other personnel (hereinafter collectively referred to as “Agents”) shall manage, protect, and maintain all corporate records in accordance with the list set forth above (hereinafter referred to as “Retention Schedule”). All Agents shall receive a copy of this Policy and shall sign the attached Attachment A to indicate his or her receipt of the Policy. Any changes to this Policy and Retention Schedule must be approved by FAPP Board of Directors;

NOW THEREFORE, the Board of Directors of the **Foundation for the Advancement of the Paralegal Profession** hereby adopts the foregoing Records Retention Policy.

ADOPTED this 3<sup>rd</sup> day of August, 2011.

*/s/ Kathleen K. Miller, RP*

Kathleen K. Miller, RP  
Secretary Pro Tem

## ATTACHMENT A

The undersigned hereby states:

I have received a copy of the Records Retention Policy of the **Foundation for the Advancement of the Paralegal Profession** (the "Policy").

I have read and understand the Policy.

I agree to comply with the Policy.

I understand that failure to comply with this Policy may result in disciplinary action, up to and including termination of employment, volunteer, or board member status.

I understand that the **Foundation for the Advancement of the Paralegal Profession** is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

My signature below indicates my receipt and understanding of this Policy. I also verify that I have been provided with an opportunity to ask questions about the Policy.

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Signature

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Date