

**DEPARTMENT OF TEXAS
VETERANS OF FOREIGN WARS
OF THE UNITED STATES**

**DOCUMENT RETENTION AND
DESTRUCTION POLICY**



VETERANS OF FOREIGN WARS.®

Texas

2021-2022

AS APPROVED BY THE TEXAS VFW COUNCIL OF ADMINISTRATION

TEXAS VETERANS OF FOREIGN WARS DOCUMENT RETENTION AND DESTRUCTION POLICY

INTRODUCTION

The Veterans of Foreign Wars, Department of Texas, is a nonprofit membership organization under the laws of the State of Texas and an affiliated organization under the National Veterans of Foreign Wars of the United States, a Congressionally Chartered non-profit organization.

VFW members, affiliated organizations (including Districts and Posts) and the general public look to the Texas VFW to provide strong leadership on veterans' issues and to develop and implement effective programs to promote patriotism, community service, youth development and a strong national defense. In order to fulfill those important responsibilities, the organization must maintain a reputation that is above reproach.

POLICY STATEMENT

The purposes of this Document Retention and Destruction Policy identifies the record retention responsibilities of staff, volunteers, members of the board of directors, and outsiders for maintaining and documenting the storage and destruction of the organization's documents and records and to enhance compliance with the Sarbanes-Oxley Act and to promote the proper treatment of corporate records of the Organization.

RESOURCES

Resources used for this policy were obtained from the National Council of Nonprofits, The American Institute of Certified Public Accountants (AICPA), Guide to Record Retention Requirements in the Code of Federal Regulations, Sarbanes-Oxley Act of 2002, Internal Revenue Service, Government Services Administration (GSA), Texas Business Occupations Code, National VFW By-Laws and Manual of Procedure, and Texas VFW By-Laws.

CONTACT FOR QUESTIONS

Dan West, State Quartermaster. Phone (512) 834-8535, ext. 102, or dan@texasvfw.org.

APPROVED BY

This Document Retention Policy was approved by the 2021-2022 Council of Administration and ratified by the State Commander on July 15, 2021.

The Texas VFW Staff, volunteers, members of the council of administration, committee members and outsiders (independent contractors via agreements with them) are required to honor the following rules:

DOCUMENT DESTRUCTION POLICY

- a. Paper or electronic documents indicated under the terms for retention in the following section will be transferred and maintained by the State Adjutant/Quartermaster.
- b. All other paper and electronic documents not listed below will be destroyed or deleted from all individual computers, data bases, networks, and back-up storage after three years;
- c. No paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation; and
- e. No paper or electronic documents will be destroyed or deleted prior to the terms listed below.

DOCUMENT RETENTION POLICY

Section One

General Guidelines. Records should not be kept if they are no longer needed for the operation of the business or required by law. Unnecessary records should be eliminated from the files. The cost of maintaining records is an expense which can grow unreasonably if good housekeeping is not performed. A mass of records also makes it more difficult to find pertinent records.

From time to time, the Organization may establish retention or destruction policies or schedules for specific categories of records in order to ensure legal compliance, and also to accomplish other objectives, such as preserving intellectual property and cost management. Several categories of documents that warrant special consideration are identified below. While minimum retention periods are established, 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, as well as the exception for litigation relevant documents and any other pertinent factors.

Section Two

Exception for Litigation Relevant Documents. The Organization expects all officers, directors, and employees to comply fully with any published records retention or destruction policies and schedules, provided that all officers, directors, and employees should note the following general exception to any stated destruction schedule: If you believe, or the Organization informs you, that Organization records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then you must preserve those records until it is determined that the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records.

Section Three

Minimum Retention Periods for Specific Categories.

Type of Document (Electronic or Paper)	Minimum Requirement
Accounts payable ledgers and schedules	7 years

Accounts receivable ledger	7 years
Annuity & deferred payment plans	Permanently
Audit reports	Permanently
Bank reconciliations	2 years
Balance sheets	5 years
Bank statements	3 years
Bonds – Fidelity	3 years after termination
Bonds – Surety	3 years after termination
Budgets	5 years
By-Laws	Until superseded
Cancelled checks	7 years
Cash receipt records	7 years
Certified Annual Financial Statements	Permanently
Checks (for important payments and purchases)	Permanently
Community Activity Reports	3 years
Contracts, mortgages, notes, and leases (expired)	7 years
Contracts (still in effect)	Contract period
Correspondence, executive	10 years
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	2 years
Election of Officer Reports	5 years
Employment applications	3 years
Expense analyses/expense distribution schedules	7 years
Expense vouchers	7 years
Year-end financial statements	Permanently
Incorporation Papers	Permanently
Inspection Reports	3 years
Insurance records, current accident reports, claims, policies, and so on (active and expired)	Permanently
Internal audit reports	3 years
Inventory records for products, materials, and supplies	3 years
Invoices (to customers, from vendors)	7 years
Lease Records	3 years after termination
Membership Applications	Permanent (See note 1)
Minute books, bylaws, and charter	Permanently

Patents and related papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Postal records	1 year after end of fiscal year
Property records	Permanently
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

Note 1: Membership applications should be retained as a permanent record to aid in establishing length of membership, original eligibility, and other items of historical value.

Obviously, the foregoing list is not all-encompassing, nor is it intended to be. A good rule of thumb in determining what files and records to keep is that if the file or record has no financial or historical significance, then it is probably time to dispose of it.

RATIFICATION

Except as modified and amended by subsequent action of the Texas Veterans of Foreign Wars Council of Administration, the Whistleblower Protection Policy is hereby ratified by majority vote and confirmed in full force and effect in accordance with its terms by the 2021-2022 Council of Administration on July 15, 2021.



Norman Macey
State Commander

OFFICIAL:



Dan West
State Adjutant

