

Records Retention Schedule and Destruction Policy

It is very important that certain records be retained. The current IRS letter of determination, the current bylaws and standing rules approved by the state parliamentarian, and articles of incorporation (for incorporated PTAs) must be readily accessible at all times.

Listed here are items that must be reviewed on a periodic basis and kept in a safe place. Members of the executive board must properly dispose of records by shredding the document within 30 days of the expiration of the holding period.

To assist in this process, it is recommended that upon filing records, note on the outside of the box a “Destroy After” date.

PERMANENT STORAGE

All audit reports

Articles of Incorporation

Canceled checks for important transactions (e.g., taxes, contracts). Checks should be filed with papers pertaining to each transaction.

Corporation exemption documents (if incorporated)

Corporation reports filed with the Secretary of State

Legal correspondence

Insurance records:

- Accident reports
- Claims
- Employee Acknowledgment Forms
- Insurance Incident Reports
- Policies

Ledgers (bound)

Minutes of executive board and association (bound)

PTA Charter

Tax documents:

- Exempt status
- Group exemption
- Letters assigning federal and state identification number ([Federal Identification Number](#) and [State Taxes and Government Forms](#))
- State and federal tax forms, as filed

Correspondence with state or federal agencies

Trademark registrations

10 YEARS

Financial statements (year-end) and budgets

Grant award letters of agreement

7 YEARS

Bank statements that contain photocopies of canceled checks

Cash receipt records

Checks (other than those listed for permanent retention)

Expired contracts and leases

List of board members and their contact information

Payment authorization and expense forms (receipts attached) for payments to vendors or reimbursement to officers

Purchase orders

Sales records

3 YEARS

General correspondence

Employee records (post-termination)

Employment applications

Membership lists, including names and full contact information

1 YEAR

Bank reconciliations

Certificates of insurance

Correspondence with vendors if non-contested

Duplicate deposit slips

Inventories of products and materials, updated yearly

Membership envelopes/forms for current membership

NOTE: Financial officers have a fiduciary responsibility to protect sensitive and confidential information. Copies of deposited checks should be shredded after the audit has been completed.

Computer-Generated Financial Records

Financial records may be kept on a computer, or be web-based such as PTAEZ, providing PTA procedures are followed and a monthly printed record is kept in a permanent binder. The supporting documents for computer-based accounting systems are the same as for manual systems; only the process for recording transactions is different. Sample financial reports are listed as Figures F-1 through F-10 or can be found in the [Forms](#) section of the *Toolkit*. All of the elements in the sample forms must be reflected in any computer-generated report used by the association.

Before using a computer consider the following:

- The records must be such that the next financial officer will be able to continue with the record-keeping on the same computer program, a compatible computer program, or by hand.
- The PTA must purchase the financial program to be used, so future financial officers will have access to the program.
- The association must agree on software used.
- All ledger registers, check registers, cash disbursements, and other yearlong registers need to be bound together for storage. Refer to the records retention schedule.

In 2010, California State PTA launched PTAEZ – an online accounting software program developed specifically for PTAs. The features and benefits of this program include:

- **Web-based application** – accessible through all major web browsers.
- **Multi-User Access** – your PTA can offer “view only” access to your records, while the treasurer controls access to general ledger posting.
- **Form 990 Summary** – run tax summary reports that greatly simplify the preparation of required tax forms.
- **PTA-Specific Reports** – monthly reports, audit information and year-end reports are pre-set and tailored for specific requirements of California PTAs.
- **Low cost** – low annual subscription rate based on the types of tax reports required by your PTA.

Go to www.PTAEZ.com to view a demo and sign up, or call (877) 944-7798 for more information.

PTA Records

Records are a vital part of each association, and the following guidelines must be followed:

The charter, ledger book, and tax forms must be kept permanently.

The minutes are a permanent record (Secretary **2.3.14**).

Historical records, including charter membership list, names of all presidents, a record of outstanding projects, and a list of Honorary Service Award recipients, should be kept permanently.

All financial records should be kept for a minimum of seven years, including the current year. Financial records may be kept on a computer as long as PTA procedures are followed and a printed record is kept in a permanent binder.

If it becomes necessary to discard PTA materials, the president should appoint members to a committee to review and condense. This committee must be aware of the requirements above and cautioned against discarding vital documents and records ([Records Retention Schedule and Destination Policy](#)).