

# General Society of the War of 1812 (GSW1812) Records Retention and Destruction Policy

## Section 1. Purpose of Records

The General Society of the War of 1812(GSW1812) must maintain books and records to show that it complies with tax rules. The organization must be able to document the sources of receipts and expenditures reported on Form 990, Return of Organization Exempt from Income Tax or Form 990-EZ, Short Form Return of Organization Exempt from Income Tax, and Form 990-T, Exempt Organization Business Income Tax Return.

If GSW1812 does not keep required records, it may not be able to show that it qualifies for tax-exempt status. Thus, GSW1812 may lose its tax-exempt status. In addition, GSW1812 may not be able to complete its return accurately and may be subject to penalties. When good recordkeeping systems are in place, GSW1812 can evaluate the success of its programs, monitor its budget, and prepare its financial statements and returns.

## Section 2. Records to be kept

Except in a few cases, the law does not require a special kind of record. GSW1812 should choose any recordkeeping system, suited to its activities, that clearly shows the organization's income and expenses.

GSW1812 activities should determine the type of records that should be kept for federal tax purposes. GSW1812 should set up a recordkeeping system using an accounting method that is appropriate for proper monitoring and reporting of its financial activities for the tax year. Since GSW1812 has more than one program, it should ensure that the records appropriately identify the income and expense items that are attributable to each program.

## Section 3. Period of Retention

GSW1812 must keep records for federal tax purposes for as long as they maybe needed to document evidence of compliance with provisions of the Code. GSW1812 must keep records that support an item of income or

deduction on a return until the statute of limitations for that return runs. After the statute of limitations has run GSW1812 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. GSW1812 may be required to retain records longer for other legal purposes, including state or local tax purposes.

GSW1812 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 bylaws, with amendments, as well as board minutes.

Employment Tax Records – GSW1812 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, GSW1812 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 IRS requires.

## Section 4. GSW1812 Policy Retention

The following table provides the minimum requirements for determining GSW1812 document retention policy

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank Reconciliations	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes and leases (expired)	7 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  
Duplicated deposit slips 2 years  
Employment applications 3 years  
Expenses Analyses/expense distribution schedules 7 years  
Year End Financial Statements Permanently  
Insurance Policies (expired) 3 years  
Insurance records, accident reports, claims, policies, Permanently  
Internal audit reports 3 years  
Inventories of product, materials, and supplies 7 years  
Invoices (to customers, from vendors) 7 years  
Minutes books, bylaws, and charter Permanently

Patents and related papers Permanently  
Payroll records and summaries 7 years  
Personnel files (terminated employees) 7 years  
Retirement and pension records Permanently  
Tax returns and worksheets Permanently  
Timesheets 7 years  
Trademark registrations and copyrights Permanently  
Withholding tax statements 7 Years

## Section 5. Electronic

GSW1812 Officers should follow the above guidance in Section 1 thru Section 5 in determining the electronic that should be retained and the length to be retained.

## Section 6. Record Destruction

All records (manual and electronic) should be destroyed after the expiration of the retention period unless there is a reason to retain longer.

Destruction of documents will be suspended when GSW1812 is notified of an investigation by a regulatory authority.