

RECORD RETENTION

All churches have records that must be retained. The Internal Revenue Service has an established record-retention policy. Following is a list of typical records a church should have and the IRS recommendation for their retention:

If you read through this list and

find that you either don't have or don't understand any of the categories, please call my office. Almost every church should have records in each of the categories (audit reports being a possible exception).

This article is designed to provide accurate and authoritative information in regard to the subject matter covered. It is presented with the understanding that neither the author nor the publisher is engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought. (From a Declaration of Principles jointly adopted by a Committee of the American Bar Association and a Committee of Publishers and Associations.)

CHURCH LAW

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| 1. Accounts payable and receivable ledgers* | 7 years |
| 2. Canceled checks (regular items) | 7 years |
| 3. Canceled checks for important transactions | Permanently |
| 4. Contracts, mortgages, notes and leases (expired) Still in effect | 7 years
Permanently |
| 5. General correspondence | 2 years |
| 6. Legal and important correspondence | Permanently |
| 7. Deeds, mortgages, bills of sale, abstracts | Permanently |
| 8. Audit reports | Permanently |
| 9. Bank reconciliations | 2 years |
| 10. Bank statements | 3 years |
| 11. Charts of Accounts | Permanently |
| 12. Depreciation schedules* | Permanently |
| 13. Deposit slips | 2 years |
| 14. Financial statements (year-end) | Permanently |
| 15. Insurance records | Permanently |
| 16. Minute books, bylaws, charters | Permanently |
| 17. Payroll records and summaries | 7 years |
| 18. Personnel files (past employees) | 7 years |
| 19. Petty cash vouchers | 3 years |
| 20. Property appraisals | Permanently |
| 21. Retirement and Pension records | Permanently |
| 22. Time books/cards | 7 years |
| 23. Withholding tax statements | 7 years |
| 24. Tithe records (including envelopes) (*accrual basis accounting only) | 7 years |