

## II. BUDGET AND MANAGEMENT

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Effective Date: April 21, 2008

### H. Records Retention

The Document Destruction provisions of the Sarbanes Oxley Act are generally held to apply to all types of public sector entities, including non-profit organizations. Document Destruction provisions of the Act make it a crime for a non-profit organizations to destroy, alter, cover up, or falsify (or to persuade someone else to do so), a document to prevent its use in an official proceeding. Non-profit organizations should develop and follow a formal record (document) retention and destruction policy. Maintain and archive all appropriate records about operations (e.g., financial records, significant contracts, real estate and other major transactions, employment files, fundraising obligations, etc.). A Sample Document Destruction Policy is also available on the NCNA Web site or the Office of the State Auditor's web site, [<http://www.ncauditor.net/Non-profitSite/samplepolicies/PE%200004%20Recordkeeping%20Policy%20Example.pdf>].

The Background on DHHS Records Retention and Disposition Schedule for Grants can be found at <http://www.dhhs.state.nc.us/control/recordback07.pdf>

A review of "The Sarbanes-Oxley Act and Implications for Nonprofit Organizations" published by BoardSource (formerly the National Center for Nonprofit Boards) and Independent Sector (a coalition of corporations, foundations, and private voluntary organizations that works to strengthen America's nonprofit organizations) is recommended. The document is found at <http://www.independentsector.org/PDFs/sarbanesoxley.pdf>