



ROTARY NOTE NO. 2022/19

TOPIC: Document Retention

By Commonwealth and Tax law Rotary clubs are required to retain certain legal and official documents. Failure to comply with these regulations could lead to penalties. Tax, local, and federal authorities might need certain records for audit, and the inability to provide these documents can be problematic for your Rotary club. As a non-profit organisation and maybe getting grants from the government, Rotary or other means, you may even have to adhere to additional regulations.

The person in charge of document retention usually is the Public Officer, often the Secretary.

The following is a list of documents that most Rotary clubs should retain:

- Charter, Constitution, By-Laws
- Banking records, financial records incl. financial statements for at least 5 years
- Legal documents, any contracts or agreements with financial impact.
- Documentation regarding project and foundation grants.
- Documents that provide title to assets such as title deeds or evidence relating to intellectual property should be retained indefinitely
- Minutes of board meetings
- Member details including credit card details (Privacy Law)
- Electronic communications and documents

Distinguish between:

- **Must Keep:** These are the files that you must always have in the organisation for legal or business reasons. For instance, they include contracts, documents related to a lawsuit, and supplier correspondence.
- **Want to Keep:** These records are retained because of the administrative and business value they bring to the organisation. Although they don't serve a legal purpose, you might need them for decision-making and reviewing past performance.
- **Destroy:** If you don't need a certain file or document, it should be destroyed. Set guidelines to determine when a record is eligible for destruction and who can authorise its deletion.

The key benefits:

- It's cost effective. Good record retention can save you a lot of money in many ways. For one, destroying unnecessary records and data will save the money that you'd otherwise have to spend on its storage. Additionally, retaining important data helps prevent excessive expenditure in the future in case you have to look for a file for legal or organisational reasons.
- Retaining documents also helps in efficient decision-making, especially when older records can be used to plan projects.

The key risks:

- You don't destroy legal records that must be retained for a certain period under federal laws.
- Besides mitigating the risk of legal repercussions, retaining important documents is also vital for preventing disputes and complaints.
- Rotarians are usually proud of their giving history. Hence losing documentation of that nature makes every club poorer.



KEY POINT(S)

1. Make sure that you look after both physical and electronic data. While paper-based documents can be destroyed due to human error or natural disasters, electronic records are also prone to be lost if not regularly updated. Backup plans and weather-proof storage of documents will prevent these mishaps.
2. A document retention policy will help organise the records according to certain parameters. You can arrange them based on importance, medium (electronic or physical), sector (projects, etc), or date. That will make it easier for you to locate a record when required.
3. Electronic communications and documents – back-ups (these days ideally in the cloud), so you don't have to care about external storage hard-drives. Make sure it has sufficient security safeguards.
4. Document naming conventions – self explanatory
5. Standard and continued hand-over lists help with record-keeping and general documentation

For more information contact: *Chris Bennecke, bennecke@outlook.com or 0411 517 230*