



Fact Sheet: Maintaining Organized Books and Records

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If you are not a professional bookkeeper, nor have an affinity for arranging folders and colored files, recordkeeping can seem like a thankless task. Recordkeeping is not necessarily hard work, but it is something that requires consistent upkeep and organization. As the paperwork continues to flow, you might find yourself swimming in an uncontrollable mess of materials.

Developing a manageable records management system is critical to your community foundation's success. It's not just about keeping your office tidy, good recordkeeping is a legal requirement once registered with the Canada Revenue Agency (CRA). Traceable records help you stay accountable to the public, your funders and the CRA, and also keep you on your toes in the event of an audit or a request for information. The following is an excerpt from a CRA document with respect to records retention:

A registered charity must keep adequate books and records in either English or French, at a Canadian address it has on file with us, so that we can verify official donation receipts issued, as well as its income and expenditures. A charity must also keep information that we can use to determine whether its activities continue to be charitable. This additional information will vary from charity to charity but could include, for example, copies of minutes of meetings, correspondence, publicity brochures, or advertisements.

The charity should retain its books and records as follows:

- *Duplicates of receipts must be retained for a minimum of two years from the end of the calendar year in which the donations were made.*



- *Books and records, together with the accounts and vouchers, containing the summaries of the year-to-year transactions of the charity, must be held for a minimum of six years from the end of the fiscal period to which they relate. When a registered charity loses its registration, the books and records must be retained for a minimum of two years after the date the registration is revoked; the following must be kept as long as the charity remains registered and for two years after the registration is revoked.*
- *All records of any donations received by a registered charity that are subject to a direction by the donor that the property given be held by the charity for a period of not less than 10 years;.*
- *Minutes of meetings of the executive.*
- *Minutes of meetings of the members; and*
- *All governing documents and by-laws. Books and records may be destroyed at an earlier time than outlined above if the Minister gives written permission for their disposal*

Should a charity be dissolved, records must be retained for a period of two years following the date of dissolution.

When developing or reconfiguring your system, be mindful of keeping electronic or hard copy records. If you are primarily looking at electronic copies, it is critical to ensure you are regularly backing up your electronic files, and that sensitive items are kept safe and private.

Through recordkeeping, some foundations have also discovered that an organized and up-to-date system helps them improve their grantmaking and donor relations while staying informed about their communities. Below, find a few best practices from the Canadian community foundation movement on how to use records to pursue your mission and preserve your foundation's history. Organized and maintained records can help you:

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Identify Trends & Assess Where You're Going

- Review financial records to monitor how your foundation has funded broad programs over time, and how much has been spent proportionately on the projects you consider "mission critical."
- Compare the funding trends to the foundation's values to make sure there's a match.
- Maintain an electronic database of the foundation's records, which will make it much easier to identify trends. If your database allows, code each grant by sector. Ensure that you distinguish donor-directed grants from discretionary grants. This will give you a better understanding of what broad program areas your donors are funding compared to those supported by the foundation's various granting programs.

Stay in Touch with Community Needs

With the increased use of electronic databases, it is much easier to track inquiries and applications by sector and by group. This information, when extrapolated, will help to determine which sectors and groups are being served, or not, by your foundation. By tracking this information, this will help your foundation:

- research funding ideas;
- track community needs;
- stay in tune with local organizations.

When possible, record information from other funding agencies in your community, including their funding criteria and links to projects they have funded. This information will help your foundation identify opportunities in the future to collaborate, and will also assist your grant staff in responding to, and potentially redirecting, inquiries from potential grantees in the communities.

Create a Time Capsule

Before you send old and unused files to the trash or recycling bin, consider starting an archive for your foundation. Archiving may sound intimidating at first, but with the help of digital technology, it can actually be relatively simple.

Archives do not have to include every single file you've created, but can compile files with detailed information on your foundation's values, mission, and granting programs, as well as its founders, trustees, board members and staff.



Think of your archive as a time capsule for the future. What will be important for the foundation's successors to know? What would a philanthropy scholar find interesting? Since the foundation's files are stored electronically, create a master archive list with links to where key information is stored on your server, including:

- minutes from board meetings;
- grant files;
- annual reports;
- oral and/or written histories;
- press clippings (download articles and save as a pdf on your server);
- photographs;
- videos;
- Correspondence.





Remember to back up your computer regularly, using a USB or a portable harddrive, and test your backup retrieval process monthly. For hardcopy documents that you may not have available digitally:

- scan important documents to store them electronically;
- keep legal documents (articles of incorporation, tax returns, bylaws) in a fire-safe place at a separate location.

Depending on the size of your organization and your access to technology, paper may have more staying power than electronic files. Although paper files require more storage space, it might be easier and more cost-effective for your small foundation to stick to paper files, or at least, keep a hard-copy back-up of important records. If you keep grant paper files indefinitely, remember that you eliminate non-vital documents like grantee board lists, financial statements, and other out-of-date items. This will help you maintain your records in a less cumbersome form.

If you don't have the capacity (or interest) in storing an archive yourself, consider donating it to a local library, repository or historical society. Most have tools to preserve your materials and can advise you on what is of historical value. For more information on where to donate your archive, contact the special collections librarian at your local community or post-secondary institution library or contact the Association of Canadian Archivists at <https://archivists.ca/>

Create a Records Retention Policy

A records retention policy provides an outline for the retention and destruction of documents received or created by a foundation in connection with the transaction of the foundation's business. This policy can be enacted to define guidelines for how long certain documents should be kept, and how records should be destroyed. The policy is designed to ensure compliance with federal and provincial laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate the foundation's operations by promoting efficiency and freeing up valuable storage space.

The goals of the policy are to:

- retain important documents for reference and future use;
- delete documents that are no longer necessary for the proper functioning of the foundation;
- organize important documents for efficient retrieval;



- ensure that the foundation’s directors, employees and volunteers understand their obligations in retaining documents, the length of their retention, means of storage, and when and how they should be destroyed.

A foundation’s record retention policies should be based on a combination of legal requirements, the foundation’s by-laws, and the desire to keep records for historical purposes as determined by the foundation. It is also important to consider the impact of PIPEDA, Personal Information Protection Electronic Documents Act. This act enforces the appropriate collection of data from donors, stakeholders, employees, and volunteers to ensure that only information required for their function is collected, and held only as long as it is required and with the permission and knowledge of the individuals.

Below, you will find a records retention checklist that was created by the Niagara Community Foundation. This can be adapted to fit your foundation’s circumstances.

Community Foundation Record Retention Procedures - Permanent Records

Record Type	Temporary Storage	Long-term Storage - Physical	Electronic storage Y/N	Legal requirements	Reason if other than legal	Discard Date	Annual Archive Date
Corporate Records							
Minutes of Board, Committees	Office	Archive after 3 years	Y	permanent for Board meetings		2 years after charitable status is revoked or corporation is dissolved	
Articles of Incorporation	Office	Office	Y	permanent		2 years after charitable status is revoked or corporation is dissolved	
By-laws, internal regulations(current)	Office	Office	Y	permanent		2 years after charitable status is revoked or corporation is dissolved	
CRA registration	Office	Office	Y	permanent		2 years after charitable status is revoked or corporation is dissolved	
Accounting/Fiscal Records							
T3010 returns	Office		Y	6 years		2 years after charitable status is revoked or corporation is dissolved	
Audited Statements	Office	Archive	Y	6 years		2 years after charitable status is revoked or corporation is dissolved	
General ledger with supporting documentation	Office	Archive	Y	6 years		2 years after charitable status is revoked or corporation is dissolved	
Life Insurance premiums and Cash Surrender Value confirmations from insurance companies				permanent			
Gifts (Endowed) (these are located in appropriate fund files only)				permanent			
Donations records	Office		Y	permanent			
Donation receipts	Office		Y	permanent for endowments; 2 years for all others			
Gifts of real property (deeds)	Office	office	Y	permanent			
Records of stock/bond transfers	Office		Y	permanent			
General Ledgers (Jan to Dec, yr-end only)	Office		Y	permanent		year 8	
Publicity/Public Relations							
Annual Reports (5 copies)	Office		Y	none	history		
Newsletters (5 copies)	Office		Y	none	history		
Fund Files - ACTIVE							
Fund Files	Office		Y	none			
Fund agreements	Office	office	Y	permanent		2 years after charitable status is revoked	

Download as an editable Excel sheet [here](#).

Community Foundation Record Retention Procedures - Non-permanent Records

Record Type	Temporary Storage	Long-term Storage - Physical	Electronic storage Y/N	Legal requirements	Discard Date
Office Records					
Files of officers, Prof. staff	Office	office	Y	2 YEARS ONCE DORMANT	year 3
Correspondence (important matters only)	Office	office	Y		year 3
Legal Records					
Contracts & leases expired or completed	Office	Archive as needed	Y	7 YEARS ONCE DORMANT	year 8
Contracts & leases still in effect	Office	office	Y		
Insurance records, reports, claims, etc.	Office	office	Y		
Legal correspondence	Office	Archive as needed	Y		
Litigation files	Office	Archive as needed	Y		
Mortgages, leases & deeds (currently owned property)	Office	Archive as needed	Y		
Accounting & Fiscal Records					
Budgets	Office		Y	7 YEARS	
Financial statements and reports (quarterly)	Office		Y		
Insurance policies (expired)	Office		Y		
Payroll	Office		Y		
Payroll records	Office		Y		
T4 and T4 Summaries	Office		Y		
Investments			Y		
Custodian statements			Y		
Investment Reports	Office		Y		
Gifts (Flowthrough)					
Donations records	Office		Y		
Donation receipts (chrono copy*)	Office		Y		
Records of stock/bond transfers	Office		Y		
Bank Records	Office		Y		
Bank statements & reconciliation					
Cancelled checks	Office		Y		
Deposit slips	Office		Y		
Accounts Payable					
Accounts payable ledgers & receipts	Office		Y		
Travel & expense reports	Office		Y		
Invoices from vendors	Office		Y		
Capital and fixed assets	Office				
Depreciation schedules	Office		Y		
Financial statements & reports (monthly/quarterly)	Office		Y		year 8
Government Returns					
GST Returns (operations and investments)	Office		Y		
EHT Returns	Office		Y		
Property Tax Rebates	Office		Y		
PST Returns	Office		Y		
Property Appraisals	Office		Y		
Depreciation schedules (retained property)	Office		Y		
Correspondence with CRA	Office		Y		
Personnel Records					
Benefits administration (except pension)	Office if active		Y	Archive if terminated/inact	
Job descriptions	Office		Y		
Personnel files	Office while current		Y	6 years from end of fiscal	
Employment actions	Office while current		Y	6 years from end of fiscal	
Employment applications	Office while current		Y	6 years from end of fiscal	
Hiring, promotion, termination records	Office while current		Y		
Grant Records					
Grant Files	Office		Y		
Grant policy/procedure manuals	Office		Y		
Grants - recommended	Office		Y	6 years from end of fiscal	
Grants denied	Office		Y	6 years from end of fiscal	
Fund Files - CLOSED					
Fund Files- closed/dormant	Office		Y	6 years from end of fiscal pe	
Prospect files - closed/dormant	Office		Y		
Publicity/Public Relations					
News releases	Office	Archive as needed	Y	none	
Pamphlets, brochures, newsletters, etc.	Office	Archive as needed	Y	none	
Photographs, slides, video, clippings, etc.	Office	Archive as needed	Y	none	
Special reports, studies	Office	Archive as needed	Y	none	

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