

Policy for Retention of Association Records

The records of the Association covered by this Policy are both paper and digital, created in the normal course of business. The types of records and their terms of retention apply to both forms, paper and digital, and shall be retained as follows:

A. Permanent Records.

1. Governing Documents (all iterations of CC&R's; Articles of Incorporation; Bylaws; Policies; Ground Rules; Condominium Plan; Parcel Maps).
2. Minutes (Board and membership meetings and Committees with decision-making authority).
3. All land records and Deeds to property owned by the Association.
4. Architectural Plans for the Common Areas.
5. Owner records and rental occupancy records for each Unit.
6. Written reports of Committees and outside consultants.

B. Terms of Retention for Non-Permanent Records.

1. Retention for Seven Years.

- a. Financial Records
 - Budgets
 - General ledgers, journals and charts of account
 - Year-end financial statements
 - Accounts payable
 - Accounts receivable ledgers, trial balances and billing records
 - Canceled checks and bank statements
 - Expense analysis and expense distribution schedules
 - Invoices from vendors
 - Deposits slips
 - Reconciliations
 - Petty cash vouchers
 - Purchase orders
- b. Expired contracts
- c. Personnel records (at least 3 years following the date of termination/separation)
- d. Insurance records (accidents reports, settled claims, expired policies, fidelity bonds, certificates of insurance)
- e. General correspondence
- f. Closed litigation files
- g. Newsletters
- h. Expired warranties
- i. Tax returns
- j. Approved architectural changes for individual Units

2. **Retention for Three Years.** Election materials shall be retained by the inspector of elections for one year after the date of the election, at which point the statute of limitations for challenging an election expires. The election materials shall then be transferred to the Association which shall retain the materials for an additional two years.

- C. **Litigation Hold.** If the Association has notice of, or reasonably believes, that certain records will be requested in a lawsuit, said records shall not be destroyed. Once the hold is lifted, such records shall be transferred to the closed litigation files.

- D. **Secure Storage and Disposal.** Paper records shall be stored in secure file cabinets or in boxes in secure closets, and those in folders shall be clearly marked by category and specific matter. Digital records shall be stored in secure computers or other digital devices having passwords, with back-up copies located in cloud storage or external hard-drives. All digital records earmarked for disposal shall be deleted completely without possibility of being restored. All paper records earmarked for disposal shall be destroyed completely, either by shredding or incineration.

THIS POLICY WAS APPROVED BY THE HCCA BOARD OF DIRECTORS ON JANUARY 26, 2023 AND SHALL BECOME EFFECTIVE MARCH 1, 2023 AND REMAIN IN EFFECT UNTIL SUCH TIME AS IT IS REVISED OR REPEALED BY THE BOARD OF DIRECTORS.

REVISION 0 03-01-23