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RETENTION OF ASSOCIATION RECORDS

Association records are extremely important in detailing the history of an association's activities and documenting all decisions made by the board. The importance of the documents requires that the records be kept in an orderly fashion and in a secure location. Most associations keep records in chronological order and compiled in binders known as "corporate record books". Some associations may have space constraints. However, lack of space is not an excuse to discard vital records.

In general, financial records that support an item of income or deduction on a tax return should be kept for a period of at least seven (7) years. It is the position of the Internal Revenue Service (IRS), however that all required books and records be maintained and available for inspection so long as they are relevant to the administration of the Internal Revenue Code. It is also important to note that Ohio has four year statute of limitations on fraud and a two year statute of limitations on negligence. A board's corporate records are the single most important defense to these types of claims.

The numerous types of records within an association's files make it impossible to anticipate every situation that may arise. However, the following general list may be used as a guide for establishing the minimum number of years to retain records.

1. Governing Documents
 1. Articles of Incorporation Forever
 2. Declaration and Amendments Forever
 3. Bylaws and Amendments Forever
 4. Design/Architectural Guidelines Forever
2. Insurance Documents
 1. Insurance Policy Forever
 2. Correspondence 5 Years
 3. Claims Paid 10 Years
3. Legal Documents
 1. General Legal Advice and Opinion Forever
 2. Disputes with Homeowners 5 Years
 3. Litigation with Third Parties 5 Years
 4. Enforcement and Assessment Records 5 Years
4. Financial and Accounting Records
 1. Annual Financial Statements Forever
 2. Audit/Review Reports Forever
 3. Tax Returns and Supporting Schedules Forever
 4. Ownership Ballots on Reserve Waiving Forever
 5. Owner Assessment Records 7 Years
 6. Budgets 7 Years
 7. Bank Statements 7 Years
 8. Cancelled Checks and Paid Bills 7 Years
 9. Bank Deposit Slips 7 Years
 10. Bank Signature Cards 7 Years
5. Employee Benefits
 1. Benefit, Pension, Profit Sharing Plans Forever
 2. Employee Manuals Forever
 3. Payroll Records, Payroll Tax Returns
 4. Employee Files Including Review, Attendance
 5. Records, Salary History 7 Years (after termination)
6. Corporate Records
 1. Minutes – Annual Meetings Forever
 1. Board Meetings Forever
 2. Special Meetings Forever
 3. Committee Meetings Forever
 2. Newsletters 10 Years
7. Administrative Records
 1. General Correspondence 5 Years
 2. Owners Rosters Forever
 3. Election Records 5 Years
 4. Violation Correspondence 5 Years
 5. Contracts Forever
 6. Unsuccessful Bids 5 Years
 7. Developer Correspondence 15 Years
 8. Reserve Studies Forever
 9. Unit Owner Files 5 Years (after sale of unit)
 10. Architectural Modification Approvals Forever


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