

VILLA ANTIGUA HOMEOWNERS ASSOCIATION
ADMINISTRATIVE RESOLUTION NO. 36
RETENTION OF DOCUMENTS AND RECORDS

WHEREAS, Villa Antigua Homeowners Association now stores and will continue to store more and more paper copies of correspondence, financial records, government records, and corporate records, and there are few laws which, at best, provide minimal guidance when and what to keep or discard; and

WHEREAS, Article III, Section 3.7(h) of the Amendment To and Restatement of the Declaration of Covenants, Conditions, and Restrictions charges the Board of Directors with powers and duties for establishing and enforcing the Rules and Regulations of the Association; and

WHEREAS it is the intent of the Board of Directors to establish and, to carry out such powers and duties for establishing rules and regulations; and

NOW THEREFORE, BE IT RESOLVED THAT the following Record Retention Guidelines are hereby established and adopted by the Board of Directors:

This policy requires the management of Villa Antigua to keep the following documents broken down by Permanent and Seven Years. Many of the records mentioned are required to be kept by governmental agencies for various times and some records are not mentioned anywhere. We have decided to err on the side of keeping records longer, but as the association gets older the space required becomes too large. To keep everything forever is not feasible, making this a general guideline which should be updated every few years, as necessary.

A. Permanent

1. Governing Documents, i.e. CC&Rs, Bylaws, Articles of Incorporation, Board Resolutions & Rules.
2. Minutes- Board and Committee Meetings (with decision-making authority), Executive Sessions.
3. Deeds to Property Owned by the Association.
4. Homeowner Files and Architectural Plans.
5. Financial Audits, Reserve studies and updates, Reserve Financial Records, Personnel 401 (k) Plans & Employee Handbooks.
6. Litigation -Records should not be destroyed if the association has notice of or believes it will become involved in a lawsuit. Based on various California cases, the destruction of records could result in sanctions and/or other legal action.

B. Seven Years. To ensure that all statutes of limitations have passed, the following records should be kept for seven years before disposing of them.

1. Financial Records including budgets, general ledgers, journals and charts of account, year-end financial statements, accounts receivable, deposit records, canceled checks and bank statements.
2. Personnel Records (Paychex Reports).
3. Insurance Records/Policy Information- including any reports, settled claims, fidelity bonds.
4. Correspondence – Homeowner Requests of Board, Contracts (in place & expired), Litigation Files, and Expired Warranties.
5. Newsletters- old copies. One Copy of each saved permanent.
6. Tax Returns
7. Election materials and ballots.

C. Computer Records. External drives, flash drives and CDs can be kept until they wear out (for now as back up to hard copies). For the most part, computer copies should not be retained in lieu of hard copies.

Secure Destruction. Whenever an association disposes of records, it must ensure that the records are completely destroyed, preferably by shredding or incineration. Simply throwing them into the trash can result in potential liability if confidential records end up in the wrong hands.