

## RECORD RETENTION POLICY FOR SURFSIDE III CONDOMINIUM OWNERS' ASSOCIATION, INC.

Approved by the Board of Directors Effective October 12, 2019

The Board of Directors (the "Board") of Surfside III Condominium Owners' Association, Inc. (the "Association"), asked for written guidance from its counsel, Roseman Law APC, regarding time periods for retaining various records of the Association. Counsel responded by sending proposed retention times. The Board, after discussion and submission of the proposed policy for comment by the Association's members in accordance with procedures prescribed by law, adopts as the official policy of the Association relating to document retention by the Association guidance from its counsel, effective as of the date so indicated above.

### A. Permanent

1. Governing Documents
  - CC&Rs
  - Bylaws
  - Articles of Incorporation
  - Condominium Plan
  - Parcel Map
2. Minutes
  - board and membership meetings. ([Civ. Code §5210\(a\).](#))
  - [committees](#) with decision-making authority.
3. Deeds to Property Owned by the Association
4. Architectural Plans for the common areas.

**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

- 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
- deposit slips
- reconciliations
- petty cash vouchers
- purchase orders

2. Expired Contracts - we suggest 10 years for all signed contracts

3. Personnel Records (Per Labor Code 1198.5(c)(1) employers are obligated to keep employee records at least 3 years following the date of termination/separation. Employers can keep them for a longer period, but 3 years is the minimum. Personnel records must be kept indefinitely as long as someone remains an employee.)

### 4. Insurance Records

- accident reports
- settled claims
- expired policies
- fidelity bonds
- certificates of insurance

5. General Correspondence
6. Closed Litigation Files
7. Newsletters
8. Expired Warranties
9. Tax Returns
10. Owner architectural submittals.

**C. One Year.** Ballots must be stored by associations in a secure place for no less than one year after the date of the election. ([Civ. Code §5125.](#))

**D. 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.

**E. Litigation Hold.** Records should not be destroyed if the association has notice of or reasonably believes it will be involved in a lawsuit. Based on various California cases, the destruction of records could result in sanctions as summarized below:

Unless justified by the responsible party, the intentional or negligent destruction, concealment, alteration or failure to preserve documents, data, information, or other evidence, reasonably known, at the time when it is eliminated, to be relevant to the issues or subject matter of reasonably knowable, pending or probable litigation, shall be subject to appropriate sanctions imposed in the pending action against a party if and to the extent such elimination of potential evidence is a reasonably certain cause of the substantial impairment of or significant prejudice to the ability to prove or disprove an element of the cause of action or defense.

Intentional, grossly negligent or other culpable conduct , done for the purpose of destroying or preventing the use of evidence or without reasonable concern for preserving evidence, and proximately causing the destruction or unavailability of relevant evidence in known pending or reasonably imminent litigation, may result in exemplary or punitive sanctions in order to adequately compensate the victim of such conduct or to deter future culpable conduct.