

# DOCUMENT STORAGE POLICY

In the over 28 years CMOC has been in business, when we begin management of a new property, we always pick up boxes and boxes of old records. Many management companies charge extra for storage. At CMOC we do not charge extra for records storage. We now keep all records electronically. We also do not charge extra for the annual purge of old records as per the Board decision as shown below:

Property Management company to follow accounting standard procedures to discontinue storage of vendor invoices older than 3 years, Statements, deposit tickets, cancelled checks, general ledgers, cash receipt and cash disbursement journals older than 7 years.

Tax returns, contracts, audit reports, minutes books, insurance policies, general legal advice and opinions, reserve studies, architectural modification approvals, and budgets will be maintained permanently by the Management company.

Old records are to be \_\_\_discarded, \_\_\_stored in a storage locker at association expense, \_\_\_ stored at clubhouse, or \_\_\_stored at the home of \_\_\_\_\_

*Motion to approve Property Management company to follow accounting standard procedures to discontinue storage of vendor invoices older than 3 years, statements, deposit tickets, cancelled checks, general ledgers, cash receipt and cash disbursement journals older than 7 years. Tax returns, contracts, audit reports, minutes books, insurance policies, general legal advice and opinions, reserve studies, architectural modification approvals, and budgets will be maintained permanently by the Management company.*

From Kaman & Cusimano Attorneys-at-Law website [www.ohiocondolaw.com](http://www.ohiocondolaw.com) :

*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.*