Metanoia Institute

Retention of Accounting Records Policy

This Policy establishes principles for ensuring that the Metanoia Institute implements effective records management, accounting for legislative, regulatory and best-practice requirements. It provides guidance on the retention and disposal of records held by the Institute.

1) Introduction

In the course of carrying out its various functions, Metanoia Institute creates and holds a wide range of financial information. Records need to be properly retained to enable the Institute to meet its business needs, legal requirements, to evidence events or agreements in the event of allegations or disputes and to ensure that any records of historic value are preserved.

2) Purpose

The purpose of this policy is to set out the length of time that Metanoia Institute financial records should be retained and the processes for disposing of records at the end of the retention period. The policy helps to ensure that Metanoia Institute operates within the applicable regulatory framework.

3) Table of Documents

The following table list details of documents that are prepared by the Finance Department at Metanoia Institute. It details the retention period that the documents need to be retained and why. In most instances statue determines the retention period.

Purchase Invoice and Supplier Documentation

Document	Retention Period	Reason for Retention Period
Payments cashbook or record of payments made	Six years from the end of the financial year in which the transaction was made	Companies Act/Charities Act*
Purchase Ledger		Companies Act/Charities Act
Invoice - Revenue		Companies Act/Charities Act
Petty Cash Records		Companies Act/Charities Act and HMRC
Invoice - Capital Items	10 Years	Companies Act/Charities Act and HMRC
Successful quotations of capital expenditure	Permanently	Commercial considerations

* Although the Companies Act states three years for private companies and six years for Public Limited Companies, the Charities Act states six years from the end of the financial year in which the transaction was made.

Income/Money Received

Document	Retention Period	Reason for Retention Period
Bank paying in counterfoils	Six years from the end of the financial year in which the transaction was made	Companies Act/Charities Act*
Bank Statements		Companies Act/Charities Act
Remittance advices		Companies Act/Charities Act
Correspondence re donation		Companies Act/Charities Act
Bank reconciliations		Companies Act/Charities Act
Receipts cash book		Companies Act/Charities Act and HMRC
Sales ledger		Companies Act/Charities Act and HMRC
Deeds of covenant/Gift Aid declarations	Six years after the last payment made. Twelve years if payments outstanding or dispute regarding the deed.	Data Protection Act** HMRC requirements
Legacies	Six years up until the estate has been wound up	Data Protection Act

** Data Protection Act 2018 and the General Data Protection Regulation (GDPR) do not specify any retention timeframes. The timeframes entered are best practice.

Tax Records

Document	Retention Period	Reason for Retention Period
Records of delivery of goods or services	Six years from the date the records were created	VAT Act
Stamp duty and land tax documents	Six years from the effective date of the transaction / the date on which tax enquiry into a return is completed or end of the period during which HMRC have power to make an enquiry into the return	Finance Act

Payroll Documentation

Document	Retention Period	Reason for Retention Period
Income tax records re employees leaving, i.e. P45	Six years plus current year	Taxes Management Act
Notice to employer of tax code (P6)	Six years plus current year	Taxes Management Act
Annual return of employs and directors expenses and benefits (P11D)	Six years plus current year	Taxes Management Act
Certificate of pay and tax deducted (P60)	Six years plus current year	Taxes Management Act
Notice of tax code change	Six years plus current year	Taxes Management Act
Annual return of taxable pay and tax deducted	Six years plus current year	Taxes Management Act
Records of pension deductions	Six years plus current year	Pensions Act
Timesheets	Two years after audit	Audit
Payroll and payroll control account	Six years plus current year	Companies Act/Charities Act and Taxes Management Act

Insurance Documents

Document	Retention Period	Reason for Retention Period
Policies	Three years after lapse	Data Protection Act
Claims correspondence	Three years after settlement	Data Protection Act
Employers liability insurance	40 years	Employers' Liability (Compulsory Insurance) Regulations 1998
Accident reports and relevant correspondence	Three years after settlement	Data Protection Act

Other Documents

Document	Retention Period	Reason for Retention Period
Trustee minutes of meetings and decisions made as resolutions in writing	Minimum 10 years from the date of the meeting or from the date of passing a resolution in writing	Data Protection Act, Companies Act, Charities Act
Minutes of general meetings and members' resolutions passed other than at a general meeting	Minimum 10 years after the date of the meeting/resolution/decision	Companies Act, Charities Act
Annual Accounts and Annual Review	Permanently	Data Protection Act
Fixed Asset Register	Permanently	Companies Act, Charities Act
Investment certificates	Permanently	Companies Act, Charities Act
Investment Ledger	Permanently	Companies Act, Charities Act
Contracts with customers, suppliers or agents, licensing agreements, rental/hire purchase agreements, indemnities and guarantees and other agreements or contracts	Six years after expiry or termination of the contract. If the contract is executed as a deed, the limitation period is twelve years	Limitation Act 1980

4) Destruction of Records

No destruction of a record should take place without assurance that:

- the record is no longer required by any part of the Institute;

- no work is outstanding by any part of Institute;

- no litigation or investigation is current or pending which affects the record;

4.1 Paper Records

Destruction should be carried out in a way that preserves the confidentiality of the record. Non-confidential records i.e. records that are clearly in the ‘public domain’ can be disposed of by placing them in ordinary refuse bins or recycling bins.

Confidential records should be shredded or placed in confidential bins ready for collection by the approved disposal firm.

4.2 Electronic Records

All electronic records will need to be permanently wiped from computers/server.