

Meadowland of Marin

Document Retention and Disposal Requirements

A. Permanent

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

B. Current Fiscal Year and Three Previous Fiscal Years

To insure that association records are available for inspection during the time frames mandated by the Davis-Stirling statutes (Civil Code §5205 - Inspection of Records), the following association records should be kept for the current fiscal year and the previous three fiscal years.

(1) Association records (Civil Code §5200(a)) are:

- Annual Budget Reports
- Summary of Association Reserves (Civil Code §5565)
- Notice of Change in Insurance Coverage
- Interim Financial Statements
- Balance Sheets
- Income and Expense Statements
- Budget Comparisons
- General Ledgers
- Executed contracts
- Written board approval of vendor or contractor proposals or invoices
- Reserve account balances and payments made from reserve accounts
- Membership lists
- Check registers
- Notice of Change in Insurance Coverage (Civil Code §5810)
- Accounting of expenses related to litigation (Civil Code §5520(b))

- Notices Concerning Use of Reserve Funds for Litigation

(2) Enhanced records (Civil Code §5200(b)) are:

- Invoices
- Receipts
- Canceled checks
- Purchase Orders
- Credit Card Statements
- Statements for Services Rendered
- Reimbursement Requests

C. Seven Years

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

- Expired Contracts
- Personnel Records (payroll records and employee records after termination)
- Accident reports
- Settled Claims
- Expired Policies for which claims were filed
- Fidelity Bonds
- Certificates of Insurance for which claims were filed
- General Legal Correspondence
- Closed Litigation Files
- Expired Warranties
- Tax Returns
- Owner architectural submittals

D. 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.)

Secure Destruction

Whenever the 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.

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.