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Accounting Systems

Type of Document	Suggested Retention Period
Accounts Payable Ledgers & Schedules	7 years
Accounts Receivable Aging Reports	7 years
Accounts Receivable Ledgers & Schedules	7 years
Accounts Receivable Invoices	7 years
Accounts Written-off	7 years
Authorization - Accounting	5 years
Balance Sheets	Permanent
Bank Reconciliations	7 years
Bank Statements	7 years
Bank Deposit Slips	3 years
Duplicate Deposit Slips	1 year
Budgets	3 years
Canceled Checks (but see exception below)	10 years
Checks - canceled for important payments. i.e., taxes, purchases of property, special contracts, etc. (checks should be filed with the papers pertaining to the underlying transaction)	Permanent
Canceled Dividend Checks	Permanent
Cash Book	Permanent
Cash Disbursement & Receipt Record	Permanent
Cash Sales Slips	7 years
Charge Slips	7 years
Charts of Accounts	Permanent
Check Register	Permanent
Expense Analyses & Expense Distributions Schedules	7 years
Expense Reports	7 years
Financial Statements	Permanent
General & Private Ledgers (and end-of-year trial balances)	Permanent
Investment - Sales/Purchases	Permanent

Type of Document	Suggested Retention Period
Journal Entries	Permanent
Petty Cash Records	7 years
Petty Cash Vouchers	3 years
Profit / Loss Statements	Permanent
Purchase Order	7 years
Sales Records	7 years
Stock & Bond Certificates (canceled)	7 years
Stockroom Withdrawal Forms	1 year
Subsidiary Ledger	Permanent
Time Books	7 years
Trial Balance	Permanent
Vendor Invoices	7 years
Voucher Check Copies	7 years

Taxation

Type of Document	Suggested Retention Period
Tax Free Reorganization	Permanent
338 Election	7 years
Canceled Checks - Tax Payments	Permanent
Correspondence - Tax	Permanent
Depreciation Schedules	Permanent
Income Tax Returns	Permanent
Inventory Reports	Permanent
FUTA/FICA/Income Tax Withholding	4 years
Payroll Tax Returns	Permanent
Revenue Agent Reports	Permanent
Sales Tax Returns	Permanent
Transfer Pricing	4 years

Fixed Assets

Type of Document	Suggested Retention Period
Depreciation Schedule	Permanent
Inventory Records	Permanent
Physical Inventory Tags	3 years
Plans and Blueprints	Permanent
Plant Cost Ledger	Permanent
Property Appraisals	Permanent
Property Register	Permanent
Purchase Orders (except purchasing department copy)	1 year
Purchase Orders (purchasing department copy)	1 year
Records for Property Subject to Depletion	Permanent

Accounting Firms

Type of Document	Suggested Retention Period
Tax Return Preparers	4 years
Tax Return Prepared	4 years

Insurance

Type of Document	Suggested Retention Period
Automobile Insurance Claims	10 years
Disability Insurance Claims - After Termination	7 years
Expired Insurance Policies	10 years
Fire Inspection Reports	6 years
Insurance Appraisals	6 years
Insurance Records, Current Accident Reports, Claims, Policies, etc.	Permanent
Safety Records	6 years
Foreign Insurance Policies	3 years

Corporate Records

Type of Document	Suggested Retention Period
Amendments	Permanent
Annual Reports	Permanent
Articles of Incorporation	Permanent
Audit Reports - Public	Permanent
Audit - Internal	6 years
Board of Directors - Committee	Permanent
Board of Directors - Minute Book	Permanent
Bylaws	Permanent
Capital Stock Certificates	Permanent
Capital Stock Ledger	Permanent
Capital Stock Transactions	Permanent
Charter	Permanent
Contracts & Leases - expired	7 years
Contracts & Leases - still in effect	Permanent
Contracts - After Termination	Permanent
Contributions	7 years
Correspondence (routine) with customers or vendors	1 year
Correspondence (legal & important matters only)	Permanent
Correspondence - Accounting	5 years
Correspondence - General	Permanent
Dividend Register & Canceled Dividend Checks	Permanent
Election Records	Permanent
Financial Statements	Permanent
Invoices to Customers	7 years
Invoices to Vendors	7 years
Option Records (expired)	7 years
Organizational Charts	Permanent
Partnership Agreement	Permanent
Savings Bond Registration Records of Employees	3 years
Stock Transfer Records	Permanent
Stockholders - Minute Book	Permanent

Payroll

Type of Document	Suggested Retention Period
Contractors	3 years from date of completion contract
Checks - Payroll	7 years
Commission Reports - Salesperson	6 years
Employee Withholding Exemption Certificates	10 years
Payroll Register	4 years
Payroll Records - After Termination	10 years
Payroll Records & Summaries, including Payments to Pensioners	7 years
Salary History	8 years
Time Reports	7 years
W-2 Forms	Permanent
Vacation/Sick Pay	4 years
Large Food or Beverage Establishment Reporting Tips	3 years
Employee Tip Substantiation	3 years

Miscellaneous

Type of Document	Suggested Retention Period
Receiving Documents	10 years
Title Papers	Permanent
Vehicle Operating & Maintenance	2 years
Telecommunication Copies	1 year
Prepaid Dues Income	4 years
Financial Institution Loan Loss Reserves	Permanent
Mutual Savings Bank Bad Debt Reserve	Permanent
Internal Reports	3 years
Receiving Sheets	1 year
Requisitions	1 year
Stenographer's Notebooks	1 year

Human Resources

Type of Document	Suggested Retention Period
Accident Reports - Settled	7 years
Attendance Records	7 years
Dental Benefits	5 years
Disability Benefits - After Expiration/Settlement	7 years
Employee Medical History	7 years
Employment Application - Not Hired	3 years
Garnishments	5 years
Life Insurance Benefits	5 years
Medical Benefits	7 years
Pension Plan Agreement	Permanent
Performance Record - After Termination	7 years
Personnel File - After Termination	7 years
Personnel Files - Current Employees	Permanent
Profit Sharing Agreement	Permanent
Safety Reports	5 years
Vacation Files	4 years
Workers' Compensation Benefits	10 years
Sick Pay	4 years
Family & Medical Leave	3 years

Security

Type of Document	Suggested Retention Period
Classified Material Violations	Permanent
Visitor Clearance	2 years

Legal

Type of Document	Suggested Retention Period
Bill of Sale	Permanent
Business Permits	Permanent
Claims & Litigation Concerning Torts & Breach of Contract	Permanent
Contracts - Employees	Permanent
Contracts - Government	Permanent
Contracts - Labor Union	Permanent
Contracts - Special	Permanent
Copyrights	Permanent
Correspondence - Legal	Permanent
Deeds/Titles	Permanent
Leases/Canceled	10 years
Licenses	Permanent
Mortgages	Permanent
Notes Receivable - Canceled	10 years
Patents	Permanent
Stock & Bond Record	Permanent
Trademarks - Registered	Permanent

Individual Records

Type of Document	Suggested Retention Period
Tax Return Copies	Permanent
Medical Receipts	7 years
Forms 1099 Received	7 years
Forms W2 Received	Permanent
401 K / Keogh Statements	7 years
IRA Statements (deductible & nondeductible)	7 years / Permanent
Loan Records / Forms 1098	7 years
Annuity Year End Statements	7 years
Insurance Policies - Life	Permanent
Insurance Policies - Other	7 years
Major Purchase Receipts	7 years
Year-end Brokerage Statements / Trade Confirmations	7 years
Certificates of Deposit Statements	7 years
Schedule K-1's from Partnership or S Corporation	7 years
House Records (canceled checks for purchase of major improvements & maintenance)	Permanent
Birth & Death Certificates	Permanent
Medical Records	Permanent
Wills	Permanent
Trust Agreements	Permanent
Detailed List of Financial Assets Held	Permanent
Alimony, Custody or Prenuptial Agreements	Permanent
Military Papers	Permanent
Photos or Videotape of Valuables	Permanent

How To Prove Certain Business Expenses

IF you have expenses for:	THEN you must keep records that show details of the following elements:			
	Amount	Time	Place or Description	Business Purpose and Business Relationship
Travel	Cost of each separate expense for travel, lodging and meals. Incidental expenses may be totaled in reasonable categories such as taxis, daily meals for traveler, etc.	Dates you left and returned for each trip and number of days spent on business.	Destination or area of your travel (name of city, town, or other designation).	Purpose: Business purpose for the expense of the business benefit gained or expected to be gained. Relationship: N/A
Entertainment	Cost of each separate expense. Incidental expense such as taxis, telephones, etc., may be totaled on a daily basis.	Date of entertainment. (Also see Business Purpose.)	Name and address of location of place of entertainment. Type of entertainment if not otherwise apparent. (Also see Business Purpose.)	Purpose: Business purpose for the expense of the business benefit gained or expected to be gained. For entertainment, the nature of the business discussion or activity. If the entertainment was directly before or after a business discussion: the date, place, nature, and duration of the business discussion and the identities of the persons who took part in both the business discussion and the entertainment activity. Relationship: Occupations or other information (such as names, titles, or other designations) about the recipients that shows their business relationship to you. For entertainment, you must also prove that you or your employee was present if the entertainment was a business meal.
Gifts	Cost of the Gift Fair Market Value as of Date of Gift	Date of the Gift	Description of the Gift	
Transportation	Cost of each separate expense. For car expense, the cost of the car and any improvement, the date you started using it for business, the mileage for each business use and the total miles for the year.	Date of the expense. For car expense, the date of the use of the car.	Your business destination.	Purpose: Business purpose for the expense. Relationship: N/A