

# Records Retention Schedule

It is important to hold onto your business records in case of an IRS audit or other examination. Retaining unnecessary records will soon exceed storage space available for most businesses. Therefore, you may wish to establish a retention schedule that takes into account state and federal regulations, as well as industry standards. The retention periods are intended as a general guideline only. If you have questions about destroying any tax or accounting records, please contact a Postlethwaite & Netterville professional immediately.

<u>Document</u>	<u>Retention Period</u>
Accident reports/claims ( <i>settled cases</i> ).....	7 years
Accounts payable ledgers and schedules .....	7 years
Accounts receivable ledgers and schedules .....	8 years
Audit reports.....	Permanently
Bank statements.....	3 years
Capital stock and bond records.....	Permanently
Cash books .....	Permanently
Charts of accounts .....	Permanently
Checks ( <i>canceled checks for important payments, special contracts, purchase of assets, payment of taxes, etc. Checks should be filed with the papers pertaining to the underlying transaction</i> ).....	Permanently
Checks ( <i>canceled except those noted above</i> ).....	7 years
Contracts and leases ( <i>expired</i> ) .....	7 years
Correspondence, general .....	2 years
Correspondence ( <i>legal and tax related</i> ) .....	Permanently
Deeds, mortgages and bills of sale.....	Permanently
Deposit slips .....	3 years
Depreciation schedules.....	Permanently
Employee personnel records ( <i>after termination</i> ).....	7 years
Employee applications .....	3 years
Expense reports.....	7 years

<u>Document</u>	<u>Retention Period</u>
Financial statements ( <i>year-end</i> ) .....	Permanently
General ledgers, year-end trial balance.....	Permanently
Insurance policies ( <i>expired</i> ).....	3 years
Insurance records, accident reports, claims, policies, etc. ....	Permanently
Internal audit reports ( <i>miscellaneous</i> ).....	3 years
Inventory records .....	7 years
Invoices to customers or from vendors.....	7 years
IRA/Keogh plan contributions, rollovers, transfers, and distributions .....	Permanently
Minute books of directors, stockholders, bylaws and charter .....	Permanently
Payroll records, summaries and tax returns.....	7 years
Petty cash vouchers.....	3 years
Purchase orders.....	3 years
Receiving sheets.....	1 year
Retirement plan records .....	Permanently
Safety records .....	6 years
Sales records .....	7 years
Subsidiary ledgers.....	7 years
Tax returns, revenue agents' reports, and other documents relating to determination of income tax liability.....	Permanently
Time cards and daily reports.....	7 years
Trademark registration, patents and copyrights.....	Permanently
Trial balances ( <i>monthly</i> ) .....	3 years
W-2 Forms .....	7 years

Note: Guidelines for maintaining records are based on a taxing authority's statutory power and limitations on auditing these records.

