

General Financial/Accounting Records

Record Type	Retention Period
Auditors' reports and annual financial statements	Permanently
Bank debt deduction	7 years
Bank deposit slips	7 years
Bank reconciliations	7 years
Bank statements	7 years
Bills of lading	4 years
Bills of sale	Permanently
Budgets	2 years
Business permits	Permanently
Cancelled checks - fixed assets	Permanently
Cancelled checks - general	7 years
Cancelled checks - payroll	7 years
Cancelled checks - taxes (payroll related)	7 years
Cancelled checks - taxes (income)	Permanently
Charge slips	7 years
Chart of accounts	Permanently
Check register	Permanently
Contracts – purchase and sales	4 years ***
Credit memos	4 years
Depreciation records	4 years ***
Dividend checks – cancelled	Permanently
Electronic payment records	7 years
Employee expense reports	7 years
Employee payroll records (W2, W-4, annual earnings records, etc.)	6 years ***
Financial statements – interim	4 years
Freight bills and bills of lading	7 years
General journal	Permanently
General ledger	Permanently
Internal reports (Work orders, sales reports, production reports)	4 years
Inventory listings and tags	7 years
Investment - Sales/Purchases	Permanently
Invoices – Sales/credit memos, cash register receipts, merchandise, purchases	7 years
Invoices – purchases (permanent assets)	4 years ***
Journal entries	Permanently
Journals - cash disbursements	Permanently
Journals - cash receipts	Permanently
Journals - payroll	Permanently
Journals - purchase	Permanently
Payroll register/journal	4 years
Petty cash vouchers	7 years
Purchase orders	7 years
Sales or work orders	7 years
Subsidiary ledgers (accounts receivables, accounts payable, equipment)	Permanently
Trial balance - year-end	Permanently
Time cards and daily time reports	7 years
Training materials	Permanently
Vendor invoices	7 years
Voucher check copies	7 years
Worthless securities	7 years

***** Retention periods begin after termination, expiration, disposal, etc. of item.**

Business/Legal Records

<u>Record Type</u>	<u>Retention Period</u>
Amendments to corporate documents	Permanently
Annual reports	Permanently
Articles of incorporation	Permanently
Audit reports - public	Permanently
Audit - internal	6 years
Board of directors - committee	Permanently
Board of directors - minutes	Permanently
Buy-sell agreements	Permanently
Bylaws	Permanently
Capital stock and bond records/certificates	Permanently
Capital stock transactions	Permanently
Charter	Permanently
Contracts & agreements - construction	Permanently
Contracts & agreements - employees/employment	Permanently
Contracts & agreements - government	Permanently
Contracts & agreements - labor union	Permanently
Contracts & agreements - special	Permanently
Contributions	7 years
Copyrights and trademark registration	Permanently
Correspondence - accounting	5 years
Correspondence - general	Permanently
Correspondence - legal	Permanently
Deeds/Titles	Permanently
Election records	Permanently
Financial statements	Permanently
Labor contracts and agreements	Permanently
Leases	10 years ***
Legal correspondence	Permanently
Licenses	Permanently
Minutes	Permanently
Mortgages and note agreements	Permanently
Notes receivable - cancelled	10 years
Organizational charts	Permanently
Patents	Permanently
Personnel files	4 years ***
Partnership agreements	Permanently
Stock certificates and bond records	Permanently
Stockholders - minute book	Permanently
Trademarks - registered	Permanently

***** Retention periods begin after termination, expiration, disposal, etc. of item.**

Human Resource/Insurance Records

<u>Record Type</u>	<u>Retention Period</u>
Accident reports	7 years
Attendance records	7 years
Automobile insurance claims	10 years
Checks - payroll	7 years
Child labor certificates and notices	3 years

Commission reports - salesperson	6 years
Contractors - after completion of contract	3 years
Disability benefits/insurance claims	7 years ***
Employee medical history	3 years
Employee tip substantiation	3 years
Employee withholding exemption certificates	10 years
Employment application (from date of termination)	2 years
Employment eligibility verification (I-9 Form) (from date of termination)	3 years
Expired insurance policies	10 years
Family & medical leave information	3 years
Fire inspection reports	6 years
Garnishments	5 years
Group disability records	6 years
Help wanted ads and job opening notices	2 years
Insurance appraisals	6 years
Insurance policies	7 years ***
Large food or beverage establishment reporting tips	3 years
Life insurance benefits	5 years
Medical benefits	7 years
Payroll records - after termination	10 years
Performance records - after termination	7 years
Personal file - after termination	7 years
Personal files - current employees	Permanently
Records of job injuries causing loss of work	5 years
Safety records	6 years
Safety records - chemical and toxic exposure	30 years
Salary history	8 years
Settled insurance claims	4 years ***
Time reports	7 years
Vacation/sick pay records	4 years
W-2 Forms	Permanently
Workers' compensation benefits	10 years

*** Retention periods begin after termination, expiration, disposal, etc. of item.

Pension/Profit Sharing Records

<u>Record Type</u>	<u>Retention Period</u>
Actuarial reports	Permanently
Allocation and compliance testing	6 years
Associated ledgers and journals	Permanently
Brokerage/trustee statements supporting investments	6 years
Department of Labor correspondence	Permanently
Financial statements	Permanently
General ledgers and journals	6 years
Information returns (Form 5500)	6 years
IRS approval letter	Permanently
Participant communications related to distributions, terminations, beneficiary	6 years
Plan and trust agreements	Permanently

Tax Returns

Tax Records – There is no limit for returns filed fraudulently or substantially

underreporting income.

Record Type	Retention Period
338 election	7 years
Cancelled checks - tax payments	Permanently
Correspondence - tax	Permanently
Depreciation schedules	Permanently
Inventory reports	Permanently
FUTA/SUTA/FICA/Income tax withholding	4 years
Income tax returns (federal, state, local)	Permanently
IRS audit reports, revenue agent reports	Permanently
Net Operating Loss - Regular	Permanently
Net Operating Loss - AMT	Permanently
Payroll tax returns	Permanently
Pension/profit sharing informational returns	Permanently
Property basis records	Permanently
Sales and use tax returns	Permanently
Tax free reorganization	Permanently
Transfer pricing agreements	4 years

All retention periods begin with the date the return was filed. If the statute of limitations concerning a tax year is extended, the retention period should be extended accordingly.

According to the Internal Revenue Service (IRS):

The time you are required to keep tax records includes the period of time during which you can amend your tax return to claim a credit or refund, or that the IRS can assess more tax. The following situations contain the periods of limitations that apply to income tax returns. Unless otherwise stated, the years refer to the period after the return was filed. Returns filed before the due date are treated as filed on due date.

- 1) You owe additional tax and situations (2), (3), and (4), below, do not apply to you; keep records for 3 years.
- 2) You do not report income that you should report, and it is more than 25% of the gross income shown on your return; keep records for 6 years.
- 3) You file a fraudulent income tax return; keep records indefinitely.
- 4) You do not file a return; keep records indefinitely.
- 5) You file a claim for credit or refund* after you file your return; keep records for 3 years from the date you filed your original return or 2 years from the date you paid the tax, whichever is later.
- 6) Your claim is due to a bad debt deduction; keep records for 7 years.
- 7) Your claim is due to a loss from worthless securities; keep records for 7 years.
- 8) Keep information on an asset for the life of the asset, even when you dispose of the asset; keep records indefinitely.
- 9) Keep all employment tax records for at least 4 years after the date that the tax becomes due or is paid, whichever is later.