

## BUSINESS DOCUMENT RETENTION GUIDELINES

Federal law requires you to maintain copies of your tax returns and supporting documents for three years. However, if the IRS believes you have significantly underreported your income (by 25 percent or more), or believes there may be indication of fraud it may go back seven years in an audit. Below is a sample schedule of retention periods for various business and personal records. Again, this is a sample and is not meant to be all inclusive.

<b>Document</b>	<b>Retention Period</b>
Accident Reports, Claims	7 years
Accounts Payable Ledgers and Schedules	7 years
Accounts Receivable Ledgers and Schedules	7 years
Audit Reports from CPAs/Accountants	Permanently
Bank Statements and Reconciliations	3 years
Capital Stock & Bond Records (ledgers, stubs showing issues, etc.)	Permanently
Cancelled Checks	7 years
Cancelled Checks for Important Payments (especially tax payments)	Permanently
Cancelled Stock and Bond Certificates	7 years
Cash Books, Charts of Accounts	Permanently
Contracts, Leases Currently in Effect	Permanently
Corporate Documents (incorporation, charter, by-laws, etc.)	Permanently
Correspondence with Customers and Vendors	1 Year
Deeds	Permanently
Depreciation Schedules	Permanently
Documents substantiating fixed asset additions	Permanently
Duplicate Deposit Slips	1 Year
Employee Personnel Records (after termination)	3 Years
Employment Applications	3 Years
Employment Tax Records	7 years
Expense Analysis and Expense Distribution Schedules	7 years
Expired Contracts, Leases	7 years
Expired Insurance Policies	3 Years
Financial Statements (Year End)	Permanently
General and Private Ledgers, Year End Trial Balances	Permanently
General Correspondence	3 Years
Insurance Records, Current Accident Reports, Claims, Policies	Permanently
Internal Audit Reports	3 Years
Internal Reports	3 Years
Inventories of Products, Materials, Supplies	7 Years
Invoices to Customers	7 Years
IRS Revenue Agents' Reports	Permanently
Legal Records, Correspondence and Other Important Matters	Permanently
Minutes Books of Directors and Stockholders	Permanently
Mortgages, Bills of Sale	Permanently
Notes Receivable Ledgers, Schedules	7 Years
Payroll Records and Summaries, including payment to pensioners	7 Years
Physical Inventory Tags	3 Years

Property Appraisals by Outside Appraisers	Permanently
Property Records & Investment/Securities Records	Permanently
Property appraisals by outside appraisers	Permanently
Purchase Orders (other than Purchasing Department copy)	1 Year
Purchasing Department Copies of Purchase Orders	7 Years
Receiving Sheets	1 Year
Requisitions	1 Year
Retirement and Pension Records	Permanently
Sales Records	7 Years
Tax Returns and Worksheets	Permanently
Time Cards for Hourly Employees	3 Years
Trade mark registrations	Permanently
Travel and Entertainment Records	7 Years
Vouchers or Payments to Vendors, Employees, etc.	7 Years