



How long is long enough?

Clients frequently ask how long they should retain tax and financial records. Although the answer may vary depending upon the complexity of your situation or the type of business you own, the following is a general guideline.

Keep in mind that regulatory authorities (the IRS and the state agencies) may be audited up to three years after filing; however, upon audit, they can go back as far as six years. So, it's wise to use seven years as a benchmark for tax records.

Records do not have to be in the original paper format. You should consider setting up a method of saving and storing important documents in an electronic format (such as pdf). Be sure you have a copy offsite in a safe deposit box or other secure location.

If you have any questions, please don't hesitate to contact us.

Record Retention Guidelines

Guide for Individuals

Accounting Records	Retention Period
Tax returns (uncomplicated)	7 yrs
Tax returns (all others)	Permanent
Gift Tax Returns	Permanent
W-2's	7 yrs
1099's	7 yrs
Schedules K-1s from partnership or S Corporation	7 yrs
Cancelled checks supporting tax deductions	7 yrs
Bank deposit slips	7 yrs
Bank Statements	7 yrs
Charitable contribution documentation	7 yrs
Receipts, diaries, logs pertaining to tax return	7 yrs
Investment purchase and sales slips	Ownership period + 7 yrs
Dividend reinvestment records	Ownership period + 7 yrs
Year – end brokerage statements	Ownership period + 7 yrs
Mutual fund annual statements	Ownership period + 7 yrs
Investment property purchase	Ownership period + 7 yrs
Home purchase documents	Ownership period + 7 yrs
Home improvement receipts and canceled checks	Ownership period + 7 yrs
Home repairs receipts and canceled checks	Ownership period + 7 yrs
Retirement plan annual report	Permanent
IRA annual reports	Permanent
IRA nondeductible contributions Form 8606	Permanent
Insurance policies	Life policy + 3 yrs
Divorce documents	Permanent
Loans	Term of loan + 7 yrs
Estate planning documents	Permanent
Birth & Death Certificates	Permanent
Trust Agreements	Permanent
Military Papers	Permanent

Guide for Business

Accounting Records	Retention Period
Accounts payable	7 yrs
Accounts receivable	7 yrs
Audit records	Permanent
Chart of accounts	Permanent
Depreciation schedules	Permanent
Expense records	7 yrs
Financial statements (annual)	Permanent

Fixed asset purchases	Permanent
General ledger	Permanent
Inventory records	7 yrs
Loan payment schedules	7 yrs
Purchase orders (1 copy)	7 yrs
Sales records	7 yrs
Tax returns	Permanent

Bank Records

Accounting Records	Retention Period
Bank reconciliations	2 yrs
Bank statements	7 yrs
Cancelled checks	7 yrs
Electronic payment records	7 yrs

Corporate Records

Accounting Records	Retention Period
Board minutes	Permanent
Bylaws	Permanent
Business licenses	Permanent
Contracts – major	Permanent
Contract – minor	Life + 4 yrs
Insurance policies	Life + 3 yrs
Leases/mortgages	Permanent
Patents/trademarks	Permanent
Shareholder records	Permanent
Stock registers	Permanent
Stock transactions	Permanent

Employee Records

Accounting Records	Retention Period
Benefit plans	Permanent
Employee files (ex-employees)	7 yrs
Employment applications	3 yrs
Employment taxes	7 yrs
Payroll records	7 yrs
Pension/profit sharing plans	Permanent

Real Property Records

Accounting Records	Retention Period
Construction records	Permanent
Leasehold improvements	Permanent
Lease payment records	Life + 4 yrs
Real estate purchase	Permanent

Business Records

Accounting Records	Retention Period
Accounts payable ledger	7 yrs
Accounts receivable aging reports	7 yrs
Accounts receivable ledger	7 yrs
Accounts receivable invoices	7 yrs
Accounts written-off	7 yrs
Authorization-accounting	5 yrs
Balance sheets	Permanent
Bank reconciliations	7 yrs
Bank statements	7 yrs
Bank deposit slips	3 yrs
Budgets	3 yrs
Canceled checks	10 yrs
Cancelled dividend checks	Permanent
Cash book	Permanent
Cash disbursement and receipt records	Permanent
Cash sales slips	7 yrs
Charge slips	7 yrs
Chart of accounts	Permanent
Check registers	Permanent
Expense reports	7 yrs
Financial statements	Permanent
General ledger	Permanent
Investment-sales/purchases	Permanent
Journal entries	Permanent
Petty cash records	7 yrs
Profit/loss statements	Permanent
Purchase order	7 yrs
Subsidiary ledger	Permanent
Trial balance	Permanent
Vendor invoices	7 yrs
Voucher check copies	7 yrs

Corporate Records	Retention Period
Amendments	Permanent
Annual reports	Permanent
Articles of incorporation	Permanent
Audit reports – permanent	Permanent
Audit - internal	6 yrs
Board of directors – minute book	Permanent
Bylaws	Permanent
Capital stock certificates	Permanent
Capital stock ledger	Permanent
Charter	Permanent
Contracts – after termination	Permanent
Contributions	7 yrs
Correspondence – accounting	5 yrs
Correspondence – general	Permanent
Dividend register and canceled dividend checks	Permanent
Election records	Permanent
Financial statements	Permanent
Organizational charts	Permanent
Partnership agreement	Permanent
Stock transfer records	Permanent
Stockholders – minute book	Permanent

Fixed Assets	Retention Period
Depreciation schedule	Permanent
Inventory records	Permanent
Plans and blueprints	Permanent
Plant cost ledger	Permanent
Property appraisals	Permanent
Property registers	Permanent
Records for property subject to depletion	Permanent

Human Resources	Retention Period
Accident reports – settled	7 yrs
Attendance records	7 yrs
Dental benefits	5 yrs
Disability benefits – after expirations/settlement	7 yrs
Employee medical history	7 yrs
Employment applications – not hired	3 yrs
Garnishments	5 yrs
Life insurance benefits	5 yrs
Medical benefits	7 yrs
Pension plan agreement	Permanent
Performance record – after termination	7 yrs
Personnel file – current employees	Permanent

Profit sharing agreement	Permanent
Safety reports	5 yrs
Vacation files	4 yrs
Workers compensation benefits	10 yrs
Sick pay	4 yrs
Family and medical leave	3 yrs

Insurance	Retention Period
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Automobile insurance claims	10 yrs
Disability insurance claims – after termination	7 yrs
Expired insurance policies	10 yrs
Fire inspection reports	6 yrs
Insurance appraisals	6 yrs
Safety records	6 yrs
Foreign insurance policies	3 yrs

Legal	Retention Period
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Bill of sale	Permanent
Business permits	Permanent
Claims and litigation concerning torts and breach of contract	Permanent
Contracts – employees	Permanent
Contracts – government	Permanent
Contracts – labor unit	Permanent
Contracts – special	Permanent
Copyrights	Permanent
Correspondence – legal	Permanent
Deeds/titles	Permanent
Leases/canceled	10 yrs
Licenses	Permanent
Mortgages	Permanent
Notes receivable – cancelled	10 yrs
Patents	Permanent
Stock and bond records	Permanent
Trademarks – registered	Permanent

Payroll	Retention Period
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Checks – payroll	7 yrs
Commission reports – salesperson	6 yrs
Employee withholding exemption certificates	10 yrs
Payroll register	4 yrs
Payroll records – after termination	10 yrs
Salary history	8 yrs
Time reports	7 yrs
W2 forms	Permanent
Vacation/sick pay	4 yrs
Large food or beverage establishment reporting tips	3 yrs

Employee tip substantiation

3 yrs

Taxation

Retention Period

Tax free reorganization

Permanent

338 election

7 yrs

Canceled checks – tax payments

Permanent

Correspondence – tax

Permanent

Depreciation schedules

Permanent

Income tax returns

Permanent

Inventory reports

Permanent

FUTA/FICA/Income tax withholding

4 yrs

Payroll tax returns

Permanent

Revenue agent reports

Permanent

Sales tax returns

Permanent

Transfer pricing

4 yrs