

RECORD RETENTION GUIDELINES

The following sample guidelines for record retention are merely a general “best practices” guideline for how long certain business and tax record should be retained. These guidelines are not all-inclusive nor are they “one size fits all”. We recommend that prior to incorporating these guidelines into any official record retention policy or procedures, an independent legal review relating to your specific needs be obtained.

The list below is primarily based upon various income tax statutes of limitations as contained in the Internal Revenue Code. Documents may be needed for longer periods to satisfy requirements of other statutes affecting businesses and individuals such as: OSHA, Immigration laws, ERISA, Securities laws, ADA, Fair Labor Standards Act, state income, sales and real estate tax laws, and others.

The nature of this set of guidelines is that it is one subjective determination which is dependent on many factors including the following, among others:

- The permanent nature of the documents
- Materiality with respect to the financial size of the taxpayer
- The long term nature of the expenditure, eg: purchase information for fixed assets or securities should be retained for three years beyond the year of sale
- Likelihood of being requested to produce the document in the future, by third part such as IRS auditors or others
- Whether an expenditure is subject to recapture if investment is sold early or whether a transaction involves a deferred gain

In summary, these general guidelines need to be customized to the needs of each business or individual based on their specific situation and the laws which could apply to them.

CORPORATE RECORDS

Permanent:	Temporary:	Period
Articles of Incorporation/Dissolution	Annual Report to State	3 yrs
By Laws	Cancelled Dividend Checks	6 yrs
Capital Stock (and Bond) Records-Ledgers	Liquidation Distributions	10 yrs
Transfer Registers, Certificate Stubs, Etc.	Stock Redemption Info.	10 yrs
Minutes of Shareholder & Board Meetings	Cancelled Stock Certificates	7 yrs

INCOME TAX RECORDS

Permanent:	Temporary	Period
Tax Returns	Business: Book/Tax	
Revenue Agents Reports	Reconciliation workpapers	7 yrs
Private Letter Rulings	Individual:	
Litigation Results	Cancelled checks for deductible Expenses	4 yrs
	Forms 1098,1099, K-1's	
	Reporting income or expenses for specific years	4 yrs

EMPLOYER PAYROLL RECORDS

WARNING: Comprehensive explicit regulations exists under numerous federal and state laws which may apply to employer/employee recordkeeping (wage hours, fair labor, etc). This summary only highlights the key requirements. None of these records are required to be retained permanently.

Temporary	Period	Temporary	Period
Employment Applications	3 yrs	Employee Expenses Reports	3 yrs
Employee Evaluations	2 yrs	Payroll Journals	5 yrs
Payroll Tax Returns (FICA, FUTA, etc)	6 yrs	Annual Employee Earnings (W-2's, W-4's, etc)	6 yrs
Terminated Employee Files	4 yrs	Time Cards or Time Sheets	3 yrs
Group Insurance Records	6 yrs	Wage Tables & Work Schedules	2 yrs
U.S. Savings Bond Register	3 yrs	Deductions from (or additions to) pay support	2 yrs
OSHA Reports/Investigations	6 yrs	Order, Shipping, Billing Records	2 yrs
Cancelled Checks:		Minimum Payroll Records by Statute	3 yrs
Employee Pay	3 yrs	Certificates, Union Agreements and Notices	3 yrs
Payroll Taxes	5 yrs	Supplemental Employment Records	2 yrs
Workmen's Compensation Insurance	10 yrs		

QUALIFIED RETIREMENT PLANS

Permanent	Temporary	Period
Plan & Trust Agreement	Required Notices to Participants	10 yrs
Amendments to Plan or Trust	Distributions to Participants	7 yrs
Annual Financial Statements	General Correspondence	5 yrs
Actuarial Reports (Defined Benefit Plans)	Qualification Testing	10 yrs
IRS Approval Letter	Contributions to Plan	7 yrs
Annual Information Returns, IRS, DOL		
Pension Benefit Guaranty Corporation Return		
General Ledgers & Journals		
Annual Participants Accounting		

BUSINESS PROPERTY AND EQUIPMENT

Permanent	Temporary	Period
Depreciation Schedules	Cancelled Check for Purchase	3yrs beyond year of sale
Property Ledgers-Cost Depreciation, Etc	Invoices for Purchases	3 yrs beyond year of sale

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Permanent	Temporary	Period
Auditor's Reports (CPA's)	Correspondence w/Customer/Vendors	1 yr
Annual Financial Statements	Purchase Orders, Except Purchase Dept copies	1yr
Cash Receipts Journal	Requisitions	1yr
Cash Disbursements Journal	Stenographers Notebooks	1yr
Chart of Accounts	Stockroom Withdrawal Forms	1yr
General Ledgers	Budget/Protection & Comparison	2yrs
General Journal & Entries	General Correspondence	2yrs
Purchase (voucher) Journal	Miscellaneous Internal Memos	2yrs
Trial Balance, End of Year	Receiving Reports	2yrs
	Physical Inventory Tags	2yrs
	Internal Work Orders	2yrs
	Credit Memos	3yrs
	Freight Bills/Bills of Lading	3yrs
	Bank Reconciliations	3yrs
	Duplicate Deposit Slips	3yrs
	Interim Financial Statements	3yrs
	Inventory Details Lists	3yrs
	Internal Audit Reports & Workpapers	3yrs
	Petty Cash Vouchers	3yrs
	Production & Sales Reports	3yrs
	Bank Statements	5yrs
	Sales & Cash Register Tapes	5yrs
	Merchandise Purchases	5yrs
	Expense Analysis & Distribution Sch.	6yrs
	Subsidiary Ledgers-Receivables	
	Payables	7yrs
	Inventory Summaries-Year End	7yrs
	Sales Invoices to Customers	7yrs
	Purchase Invoices from Vendors	7yrs
	Purchase Orders(Purchase Dept.Copies)	7yrs
	Other Sales Records	7yrs
	Notes Receivable Schedules	7yrs
	Inventory Scrap & Salvage Records	7yrs