



Following is a list of the most common tax and financial records that a business or an individual may need to keep and guidelines for how long the records should be retained. The information contained in this list is of a general nature and may not be applicable to you. Please call our office if you have specific questions regarding your documentation. For your protection when disposing of documents make sure you always shred anything with account numbers, social security numbers, old checks, etc.

Businesses

Keep One Year

- Bank reconciliations
- Correspondence with customers or vendors
- Duplicate deposit slips
- Purchase orders (except purchasing department copies)
- Receiving sheets
- Requisitions
- Stockroom withdrawal forms

Keep Three Years

- General correspondence
- Employee personnel records (after termination)
- Employment applications
- Expired insurance policies
- Internal audit reports
- Internal reports
- Petty cash vouchers
- Physical inventory tags
- Savings bond registration records of employees

Keep Seven Years

- Accident reports and claims
- Accounts payable ledgers and schedules
- Accounts receivable ledgers and schedules
- Cancelled checks
- Expired contracts and leases
- Expense analysis and expense distribution schedules
- Inventories of products, materials and supplies
- Invoices to customers
- Notes receivable ledgers and schedules
- Expired option records
- Payroll records and summaries, including payments to pensioners
- Plant cost ledgers

- Purchasing department copies of purchase orders
- Sales records
- Cancelled stock and bond certificates
- Subsidiary ledgers
- Time books
- Voucher register and schedules
- Voucher for payments to vendors, employees, etc.

Keep Permanently

- Audit reports of accountants
- Cash books, charts of accounts
- Cancelled checks for important payments
- Contracts and leases still in effect
- Correspondence on legal and other important matters
- Deeds
- Mortgage and bills of sale
- Depreciation schedules
- Financial statements (end-of-year)
- General ledgers (and end-of-year trial balances)
- Insurance records, current accident reports, claims, policies
- Journals
- Minute books of directors and stockholders
- Property appraisals by outside appraisers
- Property records
- Tax returns and worksheets, revenue agents' reports and other documents relating to determination of income tax liability
- Trademark registrations

Individuals

Keep One Year

- While it's important to keep year-end mutual fund and IRA contribution statements forever, you don't have to save monthly and quarterly statements once the year-end statement has arrived.

Keep Three Years

- Credit Card Statements
- Medical Bills (in case of insurance disputes)
- Utility Records
- Expired Insurance Policies

Keep Six Years

- Supporting Documents For Tax Returns
- Accident Reports and Claims
- Medical Bills (if tax-related)
- Property Records / Improvement Receipts
- Sales Receipts (make a copy as original may fade over time, attach original to copy)

- Wage Garnishments
- Other Tax-Related Bills

Keep Permanently

- CPA Audit Reports
- Legal Records
- Important Correspondence
- Income Tax Returns
- Income Tax Payment Checks
- Investment Trade Confirmations
- Retirement and Pension Records

Special Circumstances

- Car Records (keep until the car is sold)
- Credit Card Receipts (keep until verified on your statement)
- Insurance Policies (keep for the life of the policy)
- Mortgages / Deeds / Leases (keep 6 years beyond the agreement)
- Pay Stubs (keep until reconciled with your W-2)
- Property Records / improvement receipts (keep until property sold)
- Sales Receipts (keep for life of the warranty)
- Stock and Bond Records (keep for 6 years beyond selling)
- Warranties and Instructions (keep for the life of the product)
- Other Bills (keep until payment is verified on the next bill)
- Depreciation Schedules and Other Capital Asset Records (keep for 3 years after the tax life of the asset)