JOE M. TUCKER CPA, P.C.
DOCUMENT RETENTION POLICY
EFFECTIVE JANUARY 1, 2015

Information is an important asset of Joe M. Tucker CPA, P.C. These policies apply uniformly to documents retained in either paper or electronic format. Our policy pertaining to the retention and destruction of email documents mirrors the policy for documents in other electronic or paper formats.

DOCUMENTS TO BE RETAINED

We will retain firm business records to comply with Internal Revenue Service requirements. In relation to the professional services we provide, our policy is to retain documentation necessary to support our work (including opinions, resolution of differences, conclusions and research utilized in analysis), our correspondence with clients, our work product and items of continuing significance. Drafts or other documents not utilized should not be retained. Documents transmitted as attachments via email should be considered separately from the email messages to which they are attached. Original client records will be returned to clients and will not be a part of our ongoing files.

PROCEDURES FOR DOCUMENT STORAGE

We retain information for current and recent years' work in legal sized manila folders. These files are stored in vertical filing cabinets and are protected inside various rooms within the offices of Joe M. Tucker CPA, P.C. The facility itself is protected by lock and key as well as 24 hour security alarm & fire service. As our client file folders fill up, they are relocated to long term storage areas inside our facility.

For much of our accounting work we retain digital copies of this work on protected digital storage. All computers that have access to this storage are password protected. We conduct regular maintenance and are systems scanned for security with software and services provided by Relia It, Inc. of Florence, AL.

Any pertinent documents attached to and transmitted by email are stored in machine readable format in the firm's electronic document management system in the appropriate client folders. Those email messages which actually contain information pertinent to the completion of a tax return or financial statement, such as a client's responses to a list of questions, should be either, copied in PDF or other machine readable format or included in the source documents folder. Email messages not saved for filing in the correspondence file or other appropriate folder should be deleted.

RETENTION PERIODS FIRM RECORDS: 7 years CLIENT RECORDS: 7 years

Retention periods commence immediately following the date of the financial statements or the taxable year in the case of tax returns and work papers. Firm and client documents of former clients are not stored for any reasonable amount of time.

DESTRUCTION AND CONTROL

Destruction of documents is as important as their storage. Paper documents which are not to be retained in the firm's files must be placed in bins for shredding if they contain confidential information or sensitive data. Any paper with a social security number, a federal ID number or a client name on it must be destroyed in this manner; never just dropped in the trash. Electronic documents are destroyed by deleting them from the medium on which they are stored, and then purging the medium itself. Communication of files (both paper and electronic) to be destroyed will be reviewed by owner for clients with potential issues that may require a longer retention period. Any exceptions to the above retention policies must be approved by the owner or site manager. Exceptions should be very limited and the reason should be clearly documented.

IRS PUBLICATION ON DOCUMENT RETENTION

http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/How-long-should-I-keep-records

How long should I keep records?

The length of time you should keep a document depends on the action, expense, or event the document records. Generally, you must keep your records that support an item of income or deductions on a tax return until the period of limitations for that return runs out.

The period of limitations is the period of time in which you can amend your tax return to claim a credit or refund, or that the IRS can assess additional tax. The below information contains 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 the due date.

Note: Keep copies of your filed tax returns. They help in preparing future tax returns and making computations if you file an amended return.

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 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. You file a claim for a loss from worthless securities or bad debt deduction; keep records for 7 years.
7. Keep all employment tax records for at least 4 years after the date that the tax becomes due or is paid, whichever is later.

The following questions should be applied to each record as you decide whether to keep a document or throw it away.

Are the records connected to assets?

Keep records relating to property until the period of limitations expires for the year in which you dispose of the property in a taxable disposition. You must keep these records to figure any depreciation, amortization, or depletion deduction and to figure the gain or loss when you sell or otherwise dispose of the property.

Generally, if you received property in a nontaxable exchange, your basis in that property is the same as the bases of the property you gave up, increased by any money you paid. You must keep the records on the old property, as well as on the new property, until the period of limitations expires for the year in which you dispose of the new property in a taxable disposition.

What should I do with my records for nontax purposes?

When your records are no longer needed for tax purposes, do not discard them until you check to see if you have to keep them longer for other purposes. For example, your insurance company or creditors may require you to keep them longer than the IRS does.