

Record Retention



Digital and Physical Storage: Ensure both digital and physical records are stored securely. Use fireproof cabinets for physical records and encrypted storage for digital records.

Regular Audits: Conduct regular audits to ensure compliance with retention policies and to dispose of records that are no longer needed.

Retention Policy: Develop a clear, written retention policy that outlines how long each type of document should be kept and procedures for disposal.

Legal Compliance: Stay updated with federal, state, and local regulations regarding record retention, as they can change over time.

1. Accounting and Financial Records

- **General Ledgers:** Permanently
- **Financial Statements (annual):** Permanently
- **Financial Statements (monthly/quarterly):** 7 years
- **Bank Statements and Reconciliations:** 7 years
- **Cancelled Checks:** 7 years
- **Accounts Payable/Receivable Ledgers:** 7 years
- **Expense Reports:** 7 years

2. Tax Records

- **Tax Returns and Worksheets:** Permanently
- **W-2 and 1099 Forms:** 7 years
- **Sales Tax Returns:** 7 years
- **Supporting Documentation for Deductions:** 7 years

3. Employee and Payroll Records

- **Employee Personnel Files:** 7 years after termination
- **Payroll Records and Summaries:** 7 years

5. Legal Documents

- **Contracts and Agreements:** 7 years after termination or expiration
- **Litigation Documents:** Permanently (for significant cases) or 7 years after final settlement
- **Intellectual Property Documents:** Permanently

6. Property Records

- **Leases (expired):** 7 years after termination
- **Real Estate Documents:** Permanently
- **Asset Purchase Agreements:** Permanently

7. Insurance Records

- **Policies (expired):** 7 years after expiration
- **Claims Records:** 7 years after settlement
- **Accident Reports:** 7 years

8. Operational Records

- **Inventory Records:** 7 years
- **Production and Quality Control Records:** 7 years

- **Timesheets:** 7 years
- **Employee Contracts and Agreements:** 7 years after termination

4. Corporate Records

- **Incorporation Documents:** Permanently
- **Bylaws and Resolutions:** Permanently
- **Meeting Minutes:** Permanently
- **Annual Reports:** Permanently

- **Safety Records:** 7 years

9. Customer and Sales Records

- **Customer Invoices:** 7 years
- **Sales Records:** 7 years
- **Credit Card Receipts:** 3 years

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