



## Tax Guru, LLC

# Business Record Retention Schedule

### How long should you keep business records?

The retention of tax and business records depends on the nature of the information and how it is used.

This schedule has been developed as a guide only. Various regulatory, statutory and industry practices may supersede these general recommendations and alter the holding period. Consult legal counsel before destroying records if you are uncertain and before implementing any business record retention policy. This schedule applies to both paper and electronic resources.

#### *Business Brief*

| ITEM   | RETENTION PERIOD          |
|--|---------------------------|
| Accident reports (settled)   | 7 years                   |
| Articles of incorporation  | Permanent                 |
| Bank reconciliations   | 3 years                   |
| Bank statements  | 7 years                   |
| Bills of lading  | 3 years                   |
| Bonds (records of issuance)  | Permanent                 |
| Budgets  | 3 years                   |
| Capital stock: applications for authorization and issuance, canceled certificates, ledger and transfer records | Permanent                 |
| Cash and charge sales slips  | 7 years                   |
| Check register   | 10 years                  |
| Commission reports   | 6 years                   |
| Contracts – corporate  | 7 years After termination |

| Contracts - employee                   | 7 years After termination |
|--|---------------------------|
| ITEM                                   | RETENTION PERIOD          |
| Contracts – vendor                     | 7 years                   |
| Correspondence – accounting            | 7 years                   |
| Correspondence - credit and collection | 7 years                   |
| Correspondence – general               | 3 years                   |
| Correspondence – personnel             | 7 years After termination |
| Cost accounting records                | 5 years                   |
| Deeds                                  | 7 years After disposal    |
| Delivery receipts                      | 5 years                   |
| Dividend register                      | Permanent                 |
| Depreciation schedules                 | Permanent                 |
| Equipment leases (after expiration)    | 7 years                   |
| Equipment repair records               | 3 years                   |

|                                |                           |
|--------------------------------|---------------------------|
| Expense reports – departmental | 7 years                   |
| Expense reports – employee     | 7 years                   |
| Fidelity bonds                 | 7 years After termination |

|  |                        |
|--|------------------------|
| Financial reports - audited and annual             | Permanent              |
| Financial reports – interim                        | 3 years                |
| Fire damage reports                                | 6 years                |
| Franchise agreements                               | Permanent              |
| Freight draft, bills and claims                    | 5 years                |
| Garnishments                                       | 3 years                |
| Insurance policies                                 | Permanent              |
| Inventory records                                  | 7 years after disposal |
| Invoices (issued or received)                      | 7 years                |
| Invoices - fixed assets                            | 7 years after disposal |
| IRA and mutual fund statements - monthly/quarterly | 1 year                 |
| IRA and mutual fund statements – yearly            | Permanent              |

*Labor records:*

|                              |                           |
|------------------------------|---------------------------|
| Applications - employees     | 3 years                   |
| Contracts                    | 7 years after termination |
| Daily time reports           | 5 years                   |
| Disability claims            | 7 years after termination |
| Earnings records             | 7 years                   |
| Employee service records     | 7 years                   |
| Pay checks                   | 7 years                   |
| Personnel files              | 7 years after termination |
| Salary and wage rate changes | 7 years after termination |

|                                       |                           |
|---------------------------------------|---------------------------|
| Salary receipts                       | 7 years after termination |
| Time cards, tickets and clock records | 5 years                   |
| Unemployment claims                   | 7 years after termination |
| Withholding exemption certificates    | 7 years after termination |

*Labor Records:*

|                               |                           |
|-------------------------------|---------------------------|
| Workers' compensation reports | 7 years                   |
| Leases                        | 7 years after termination |

*Ledgers and journals:*

|  |                          |
|--|--------------------------|
| Accounts payable ledger                    | 7 years                  |
| Accounts receivable ledger                 | 7 years                  |
| Cash journal                               | 7 years                  |
| Customer ledger                            | 7years                   |
| General journal                            | 7 years                  |
| General ledger                             | Permanent                |
| Journal entries (year-end)                 | Permanent                |
| Payroll journal                            | 10 years                 |
| Plant ledger                               | Permanent                |
| Purchases journal                          | 7 years                  |
| Royalty journal                            | 7 years                  |
| Sales journal                              | 7 years                  |
| Stock ledger                               | Permanent                |
| Licenses                                   | 1 year after termination |
| Maintenance and repair records – buildings | 7 years                  |
| Maintenance and repair records – machinery | 5 years                  |
| Manufactured stock records                 | 7 years                  |
| Minute books                               | Permanent                |

|                             |                           |
|-----------------------------|---------------------------|
| Mortgages                   | 7 years after termination |
| Notes (canceled)            | 7 years                   |
| Note register               | Permanent                 |
| Option records              | 7 years after termination |
| Patent records              | 7 years after disposal    |
| Pension records             | Permanent                 |
| Petty cash records          | 3 years                   |
| Plant acquisition records   | Permanent                 |
| <i>Property records:</i>    |                           |
| Account ledgers             | Permanent                 |
| Appraisals                  | 7 years after disposal    |
| Damage reports              | 7 years after disposal    |
| Deeds and titles            | 7 years after disposal    |
| Depreciation                | Permanent                 |
| Plans and specifications    | 7 years after disposal    |
| Purchases                   | 7 years after disposal    |
| Sales                       | 7 years after disposal    |
| Taxes                       | 7 years after disposal    |
| Purchase order copies       | 7 years                   |
| Purchase invoices           | 7 years                   |
| Receiving reports           | 1 year                    |
| Remittance statements       | 3 years                   |
| Requisitions                | 3 years                   |
| Sales invoices              | 7 years                   |
| Salesmen commission reports | 7 years                   |
| Securities (brokerage slips | 7 years after disposal    |
| Shipping tickets            | 3 years                   |

|  |                           |
|--|---------------------------|
| Stockholder records: list of minutes, proxies and reports to stockholders      | Permanent                 |
| Surety bonds   | 7 years after termination |
| Tax records including worksheets, bills and statements, and IRS agents' report | 7 years                   |
| Tax returns – estate   | Permanent                 |
| Tax returns – gift   | Permanent                 |
| Tax returns – income   | Permanent                 |
| Tax returns – payroll  | 7 years                   |
| Tax returns - personal property  | Permanent                 |
| Tax returns - sales and use  | Permanent                 |
| Tax returns - social security  | Permanent                 |
| Title papers   | 7 years after disposal    |
| Trademark records  | Permanent                 |
| Travel records (employees  | 7 years                   |
| Uncollectible accounts records   | 7 years                   |
| Union (labor) contracts  | Permanent                 |
| Vouchers – copies  | 7 years                   |
| Vouchers – register  | 7 years                   |
| Wage and rate records  | 7 years                   |
| Warrants   | Permanent                 |
| Withholding and exemption certificates   | 7 years after termination |
| W-2 forms  | 7 years                   |