

Novikoff, Manheimer & Co.

Certified Public Accountants

RECORD RETENTION GUIDE CHARTED

COUNTING RECORDS	RETENTION PERIOD	EMPLOYEE RECORDS	RETENTION PERIOD
Accounts payable	7 years	Benefit plans	Permanent
Accounts receivable	7 years	(ex) Employee files	7 years
Audit reports	Permanent	Employment applications	3 years
Chart of accounts	Permanent	Employment taxes	7 years
Depreciation schedules	Permanent	Payroll records	7 years
Expense records	7 years	Profit sharing plans	Permanent
Financial statements	Permanent	INDIVIDUAL RECORDS	RETENTION PERIOD
Fixed asset purchases	Permanent	Tax returns (uncomplicated)	7 years
General ledger	Permanent	Tax returns (all others)	Permanent
Inventory records	7 years	W-2's	7 years
Loan payment schedules	7 years	1099's	7 years
Purchase orders (1 copy)	7 years	Cancelled checks supporting tax deductions	7 years
Sales records	7 years	Bank deposit slips	7 years
Tax returns	Permanent	Charitable contribution documentation	7 years
CORPORATE RECORDS	RETENTION PERIOD	Credit card statements	7 years
Board minutes	Permanent	Receipts, diaries, logs, etc. pertaining to tax return	7 years
Bylaws	Permanent	Investment purchase & sales slip	Ownership + 7 years
Business licenses	Permanent	Dividend reinvestment records	Ownership + 7 years
Contracts—major	Permanent	Year-end brokerage statement	Ownership + 7 years
Contracts—minor	Life + 4 years	Mutual fund annual statements	Ownership + 7 years
Insurance policies	Life + 3 years	Investment property purchase documents	Ownership + 7 years
Leases/Mortgages	Permanent	Home purchase documents	Ownership + 7 years
Patents/Trademarks	Permanent	Home improvement receipts & cancelled checks	Ownership + 7 years
Shareholder records	Permanent	Retirement plan & annual reports	Permanent
Stock registers	Permanent	IRA annual reports	Permanent
Stock transactions	Permanent	IRA nondeductible contributions Form 8606	Permanent
REAL PROPERTY RECORDS	RETENTION PERIOD	Insurance policies	Life of policy + 3 years
Construction records	Permanent	Divorce documents	Permanent
Leasehold improvements	Permanent	Loans	Term of loan + 7 years
Leased payment records	Life + 4 years	Estate planning documents	Permanent
Real estate purchases	Permanent		
BANK RECORDS	RETENTION PERIOD		
Bank reconciliations	2 years		
Bank statements	7 years		
Cancelled checks	7 years		
Electronic payment records	7 years		

Tax returns can generally be audited for up to three years after filing and up to six years if the IRS suspects underreported income. It is wise to keep tax records for at least seven years after a return is filed. Requirements for records kept electronically are the same as paper records.