

## Record Retention Schedule

How long must you keep business records? The Internal Revenue Service and individual states have requirements for different types of records, some of which should be saved for a few years, others that you should never throw away. As a general rule of thumb, when costs must be substantiated, keep the records until you sell the item (plus several years thereafter). Other record retention time periods are delineated below.

Note that these recommendations apply for paper records as well as computerized records and paperless systems.

Tip: This Record Retention Schedule should, itself, be retained in your records.

Accident reports/claims (settled cases)	7 years	Internal audit reports (longer retention periods may be desirable)	3 years
Accounts payable ledgers and schedules	7 years	Inventories of products, materials, supplies	7 years
Accounts receivable ledgers and schedules	7 years	Invoices	7 years
Bank reconciliations	3 years	Limited Liability Company (LLC operating agreement)	Permanently
Bank statements	7 years	Monthly trial balances	7 years
Capital stock and bond records	Permanently	Option records (expired)	7 years
Cash books	Permanently	Partnership agreements	Permanently
Charts of accounts	Permanently	Patents	Permanently
Checks, including substitute checks (cancelled - see exception below)	7 years	Payroll records and time sheets	7 years
Checks, including substitute checks (i.e. taxes, property purchases, special contracts, etc. Checks should be filed with the papers pertaining to the transaction)	Permanently	Personnel files (terminated employees)	3 years
Computer records (back-ups of all financial records)	Permanently	Petty cash vouchers	3 years
Contracts and leases		Physical inventory tags	3 years
Expired	7 years	Plant cost ledgers	7 years
Still in effect	Permanently	Property appraisals	Permanently
Copyrights	Permanently	Property records (including costs, depreciation reserves, year-end trial balances, depreciation schedules, blueprints and plans)	Permanently
Corporation charter, minute books, and bylaws	Permanently	Purchase orders	7 years
Correspondence (general)	2 years	Requisitions	2 years
Correspondence (legal and important matters)	Permanently	Retirement and pension records	Permanently
Deeds, mortgages, easements, and other property records	Permanently	S Corporation election	Permanently
Disability benefits records - for employees	7 years	Stock and bond certificates (canceled)	7 years
Deposit slips	3 years	Subsidiary ledgers	7 years
Employment applications	3 years	Tax returns and work papers, including records to support carrybacks and carryovers	Permanently
Expense reports	7 years	Trademark registrations	Permanently
Financial statements	Permanently	Training manuals	Permanently
General ledgers, journals	Permanently	Trial balance sheets	Permanently
Insurance policies (expired)	3 years	Union agreements	Permanently
Insurance records	Permanently	Vouchers for payments to vendors, employees, etc.	7 years
		Withholding tax statements - for employees	7 years