



Record Retention – The Purpose

Business documents create an important history of your transactions with customers, vendors and creditors. These records should be available to you to resolve questions should they arise in the future.

Your business records should be easily accessible to authorized personnel. Business records should be maintained for a minimum period of time according to the above recommended record retention periods. However, in certain circumstances involving pending or potential litigation, extended record retention periods may apply. Your legal counsel should be consulted prior to discarding documents that may be subject to an extended retention period.

Special retention requirements may also apply to documents or information maintained on computer systems. The Internal Revenue Service, for example, has special computer retrieval requirements when business records are maintained on a computerized system. You should confer with your tax advisor regarding any applicable IRS requirements.

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Record Retention A Recommended Approach

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Type of Record	Retention Period	Type of Record	Retention Period	Type of Record	Retention Period
Accident Reports and Claims	7 Years	Employee Personnel Records (After Termination) [Substantially longer periods apply to employees who produce/handle hazardous materials]	4 Years	Physical Inventory Tags	3 Years
Accounts Payable Ledgers and Schedules	7 Years	Employee Benefit Plan Records	7 Years	Property Appraisals by Outside Appraisers	P
Accounts Receivable Ledgers and Schedules	7 Years	Employment Applications	3 Years	Property Records (including Costs, Depreciation Reserves, End-of-Year Trial Balances, Depreciation Schedules, Blueprints and Plans)	P
Audit Reports of Accounts	P	Expenses Analyses and Expense Distribution Schedules	3 Years	Purchase Orders (except Purchasing Department Copy)	1 Year
Bank Reconciliations	1 Year	Financial Statements (End-of-Year, other months optional)	P	Purchase Orders (Purchasing Department Copy)	7 Years
Bank Statements	7 Years	General and Private Ledgers (and End-of-Year Trial Balances)	P	Receiving Sheets	1 Year
Canceled Checks (See Exception Below)	7 Years	Inherited Property Valuations	P	Requisitions	1 Year
Canceled Checks for Important Payments (i.e., Taxes, Purchases of Property, Special Contracts, etc.) should be filed with the papers pertaining to the underlying transaction	P	Insurance Records, Current Accident Reports, Claims, Policies, etc.	P	Sales Records	7 Years
Capital Stock and Bond Records, Ledgers Transfer Registers, Stubs Showing Issues, Records of Interest Coupons, Options, etc.	P	Internal Audit Reports (in some situations, longer retention periods may be desirable)	3 Years	Savings Bond Registration Records of Employees	3 Years
Cash Books	P	Internal Memos and Reports (Miscellaneous)	3 Years	Scrap and Salvage Records (Inventories, Sales, etc.)	7 Years
Charts of Accounts	P	Inventories of Products, Materials and Supplies	7 Years	Stock and Bond Certificates (Canceled)	7 Years
Contracts and Leases (Expired)	7 Years	Invoices to Customers	7 Years	Stockroom Withdrawal Forms	1 Year
Contracts and Leases Still In Effect	P	Invoices from Vendors	7 Years	Subsidiary Ledgers	7 Years
Correspondence (Routine) with Customers or Vendors	1 Year	Journals	P	Tax Returns and Worksheet, Revenue Agents' Reports and other documents relating to determination of income tax liability	P
Correspondence (General)	3 Years	Low-Income Housing Records	7 Years	Time Books	7 Years
Correspondence (Legal and Important Matters Only)	P	Minute Books of Directories and Stockholders Including By-Laws and Charter	P	Trademark Registrations	P
Deeds, Mortgages and Bills of Sale	P	Notes Receivable Ledger and Schedules	7 Years	Voucher Register and Schedule	7 Years
Depreciation Schedules	P	Option Records (Expired)	7 Years	Vouchers for Payments to Vendors, Employees, etc. (includes Allowances and Reimbursement of Employees, Officers, etc. for travel and entertainment expenses)	7 Years
Duplicate Deposit Slips	3 Years	Payroll Records and Summaries (including Payments to Pensioners)	7 Years		
		Petty Cash Vouchers	3 Years		

P = Permanently