

# Record Retention

## A Recommended Approach

tax consulting services

A woman with curly hair, wearing a grey blazer over a white shirt, is smiling and looking at a laptop. She is in a modern office environment with other people in the background. A large green triangle is overlaid on the left side of the image.

**JACKSON  
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## RECORD RETENTION

# The Purpose

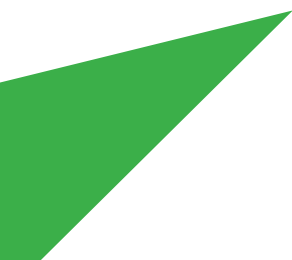
Business documents create an important history of your transactions with customers, vendors, and creditors. These records should be available to you to resolve questions should they arise in the future.

Your business records should be easily accessible to authorized personnel. Business records should be maintained for a minimum period of time according to the record retention periods recommended. 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.

**TYPE OF RECORD****RETENTION PERIOD**

|   |         |
|---|---------|
| Accident Reports and Claims   | 7 Years |
| Accounts Payable Ledgers and Schedules  | 7 Years |
| Accounts Receivable Ledgers and Schedules   | 7 Years |
| Audit Reports of Accounts   | P       |
| Bank Reconciliations  | 1 Year  |
| Bank Statements   | 7 Years |
| Canceled Checks (See Exception Below)   | 7 Years |
| Canceled Checks for Important Payments (e.g., Taxes, Purchases of Property, Special Contracts, etc.) should be filed with the papers pertaining to the underlying transaction | P       |
| Capital Stock and Bond Records, Ledgers, Transfer Registers, Stubs Showing Issues, Records of Interest Coupons, Options, etc.   | P       |
| Cash Books  | P       |
| Charts of Accounts  | P       |
| Contracts and Leases (Expired)  | 7 Years |
| Contracts and Leases (Still In Effect)  | P       |
| Correspondence (Routine) with Customers or Vendors  | 1 Year  |
| Correspondence (General)  | 3 Years |
| Correspondence (Legal and Important Matters Only)   | P       |
| Deeds, Mortgages, and Bills of Sale   | P       |
| Depreciation Schedules  | P       |
| Duplicate Deposit Slips   | 3 Years |



**TYPE OF RECORD****RETENTION PERIOD**

|   |         |
|---|---------|
| Employee Personnel Records (After Termination) [Substantially longer periods apply to employees who produce/handle hazardous materials] | 4 Years |
| Employee Benefit Plan Records   | 7 Years |
| Employment Applications   | 3 Years |
| Expenses Analyses and Expense Distribution Schedules  | 3 Years |
| Financial Statements (End-of-Year, other months optional)   | P       |
| General and Private Ledgers (and End-of-Year Trial Balances)  | P       |
| Inherited Property Valuations   | P       |
| Insurance Records, Current Accident Reports, Claims, Policies, etc.   | P       |
| Internal Audit Reports (in some situations, longer retention periods may be desirable)  | 3 Years |
| Internal Memos and Reports (Miscellaneous)  | 3 Years |
| Inventories of Products, Materials, and Supplies  | 7 Years |
| Invoices to Customers   | 7 Years |
| Invoices from Vendors   | 7 Years |
| Journals  | P       |
| Low-Income Housing Records  | 7 Years |
| Minute Books of Directories and Stockholders including By-Laws and Charter  | P       |
| Notes Receivable Ledger and Schedules   | 7 Years |
| Option Records (Expired)  | 7 Years |
| Payroll Records and Summaries (including Payments to Pensioners)  | 7 Years |
| Petty Cash Vouchers   | 3 Years |

**TYPE OF RECORD****RETENTION PERIOD**

|  |         |
|--|---------|
| Physical Inventory Tags  | 3 Years |
| Property Appraisals by<br>Outside Appraisers   | P       |
| Property Records (including Costs,<br>Depreciation Reserves, End-of-Year<br>Trial Balances, Depreciation Schedules,<br>Blueprints, and Plans)                            | P       |
| Purchase Orders (except Purchasing<br>Department Copy)   | 1 Year  |
| Purchase Orders (Purchasing<br>Department Copy)  | 7 Years |
| Receiving Sheets   | 1 Year  |
| Requisitions   | 1 Year  |
| Sales Records  | 7 Years |
| Savings Bond Registration<br>Records of Employees  | 3 Years |
| Scrap and Salvage Records<br>(Inventories, Sales, etc.)  | 7 Years |
| Stock and Bond Certificates (Canceled)   | 7 Years |
| Stockroom Withdrawal Forms   | 1 Year  |
| Subsidiary Ledgers   | 7 Years |
| Tax Returns and Worksheet, Revenue<br>Agents' Reports, and other documents<br>relating to determination of income<br>tax liability                                       | P       |
| Time Books   | 7 Years |
| Trademark Registrations  | P       |
| Voucher Register and Schedule  | 7 Years |
| Vouchers for Payments to Vendors,<br>Employees, etc. (includes Allowances<br>and Reimbursement of Employees,<br>Officers, etc. for travel and<br>entertainment expenses) | 7 Years |

P = Permanently

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