

RECORD RETENTION GUIDE FOR BUSINESSES

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It is important to hold onto your business records in case of an IRS audit or other examination. Retaining unnecessary records will soon exceed storage space available for most businesses. Therefore, you may wish to establish a retention schedule that takes into account state and federal regulations, as well as industry standards. The retention periods are intended as a general guideline only. If you have questions about destroying any tax or accounting records, please contact me immediately.

DOCUMENT	RETENTION
Accident reports/claims (settled cases)	7 years
Accounts payable ledgers and schedules	Permanently
Accounts receivable ledgers and schedules	8 years
Audit reports	Permanently
Bank statements	10 years
Capital stock and bond records	Permanently
Cash books	Permanently
Chart of accounts	Permanently
Checks, cancelled checks for important payments	Permanently
Checks, cancelled, not important	10 years
Contracts and leases (expired)	Permanently
Correspondence, general	Permanently
Correspondence, legal and tax related	Permanently
Deeds, mortgages and bills of sale	Permanently
Deposit slips	3 years
Depreciation schedules	Permanently
Employee personnel records (after termination)	7 years
Employee applications	3 years
Expense reports	7 years
Financial statements (year-end)	Permanently
General ledgers, year-end trial balances	Permanently
Insurance policies (expired)	10 years
Insurance records, accident reports, claims, policies	Permanently
Internal audit reports	3 years
Inventory records	Permanently
Invoices to customers or from vendors	7 years
IRA/Keogh plan contributions, transfers and distributions	Permanently
Minutes, bylaws and charter	Permanently
Payroll records and summaries	7 years
Tax returns	Permanently

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Petty cash vouchers	7 years
Purchase orders	7 years
Receiving sheets.....	1 year
Retirement plan records.....	Permanently
Safety records.....	6 years
Sales records, cash.....	7 years
Sales records, charge	10 years
Subsidiary ledgers	Permanently
Tax returns and other documents to determine tax liability	Permanently
Time cards and daily reports.....	7 years
Trademark registration, patents and copyrights.....	Permanently
Trial balances (monthly).....	3 years
W-2 forms	Permanently

Note: Guidelines for maintaining records are based on a taxing authority's statutory power and limitations on auditing these records.