

Records Retention Schedule

| <i>Retention Period</i> | <i>Retention Period</i> |
|---|---|
| Accident reports/claims (settled cases)7 years | Magnetic tape and tab cards 1 year |
| Accounts payable ledgers and schedules7 years | Minute books of directors, stockholders, bylaws, and charterPermanently |
| Accounts receivable ledgers and schedules7 years | Notes receivable ledgers and schedules 7 years |
| Audit reportsPermanently | Option records (expired) 7 years |
| Bank reconciliations2 years | Patents and related papersPermanently |
| Bank statements3 years | Payroll records and summaries 7 years |
| Capital stock and bond records: ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etcPermanently | Personnel files (terminated) 7 years |
| Cash booksPermanently | Petty cash vouchers 3 years |
| Charts of accountsPermanently | Physical inventory tags 3 years |
| Checks (canceled--see exception below)7 years | Plant cost ledgers 7 years |
| Checks (canceled for important payments, i.e. taxes, purchases of property, special contracts, etc. Checks should be filed with the papers pertaining to the underlying transaction.)Permanently | Property appraisals by outside appraisersPermanently |
| Contracts, mortgages, notes, and leases (expired)7 years | Property records, including costs, depreciation reserves, year-end trial balances, depreciation schedules, blueprints, and plansPermanently |
| (still in effect)Permanently | Purchase orders (except purchasing department copy) 1 year |
| Correspondence (general)2 years | Purchase orders (purchasing department copy) 7 years |
| Correspondence (legal and important matters only)Permanently | Receiving sheets 1 year |
| Correspondence (routine) with customers and/or vendors2 years | Retirement and pension recordsPermanently |
| Deeds, mortgages, and bills of salePermanently | Requisitions 1 year |
| Depreciation schedulesPermanently | Sales commission reports 3 years |
| Duplicate deposit slips2 years | Sales records 7 years |
| Employment applications3 years | Scrap and salvage records (inventories, sales, etc.) 7 years |
| Expense analyses/expense distribution schedules7 years | Stenographers' notebooks 1 year |
| Financial statements (year-end, other optional)Permanently | Stock and bond certificates (canceled) 7 years |
| Garnishments7 years | Stockroom withdrawal forms 1 year |
| General/private ledgers, year-end trial balancePermanently | Subsidiary ledgers 7 years |
| Insurance policies (expired)3 years | Tax returns and worksheets, revenue agents' reports, and other documents relating to determination of income tax liabilityPermanently |
| Insurance records, current accident reports, claims, policies, etcPermanently | Time books/cards 7 years |
| Internal audit reports (longer retention periods may be desirable)3 years | Trademark registrations and copyrightsPermanently |
| Internal reports (miscellaneous)3 years | Training manualsPermanently |
| Inventories of products, materials, and supplies7 years | Union agreementsPermanently |
| Invoices (to customers, from vendors)7 years | Voucher register and schedules 7 years |
| JournalsPermanently | Vouchers for payments to vendors, employees, etc. (includes allowances and reimbursement of employees, officers, etc.. for travel and entertainment expenses) 7 years |
| | Withholding tax statements 7 years |

ITEMS TO RETAIN FOR PREPARATION OF TAX RETURNS

INDIVIDUAL TAX RETURN

Income

- W-2's
- 1099's (Interest, Dividends, Stock Sales, Retirement Plan, Misc, etc.)
- Brokerage statements or other stock basis information
- K-1's (income/loss from Partnership, S Corporations, Trusts, etc.)
- Information on any Stock Option transactions

Deductions

- 1098 Mortgage Interest Statement
- Real estate tax paid
- Ad Valorem tax paid
- Contribution receipts (keep for your records)
- Retirement plan contributions

If you have a Schedule C business, Farm or Rental properties:

- Record of income and expense for each business
- List of new fixed asset purchases or disposals

Other

- Maintain list of estimated tax payments made during the year
- Closing Statements on any purchase or sales of property
- Any tax notices received from the IRS or other taxing authorities
- Information on any gifting over \$12,000 made during the year

BUSINESS TAX RETURN

- Bank reconciliation for end of year
- List of fixed asset purchases or disposals
- Accounts Receivable and Accounts Payable listing at year end
- Loan Balances at year end
- Changes of business ownership