

# Record Retention Guide

## FOR INDIVIDUALS

How long to keep records is a combination of judgment and state and federal statutes of limitations. Since federal tax returns can generally be audited for up to three years after filing and up to six years if the IRS suspects underreported income, it's wise to keep tax records at least seven years after a return is filed.

Document	Retention Period
Accident Reports and Claims	7 years
Bank Statements and Cancelled checks	7 years
Car Records	Until the car is sold + 3 years
Charitable Donation Letters and Proof of Payment	4 years
Copies of Income Tax Returns	Permanently
Credit Card Receipts	Keep until verified on your monthly statement + 1 month (4 years if self-employed)
Credit Card Statements	4 years
Documents Used for Tax Return Deductions	7 years
Important Correspondence	Permanently
Insurance Policies	Life of the policy + 4 years
Investment Trade Confirmations	7 years after the investment is sold
IRS or State Audit Reports	Permanently
Legal Records such as Wills	Permanently
Medical Bills (if tax-related)	7 years
Medical Bills (in case of insurance disputes)	4 years
Medical Records	Permanently
Military Papers (may be required for Veteran's benefits)	Permanently
Mortgages / Deeds / Leases	Keep 6 years beyond the agreement
Non Deductible Bills	Keep until payment is verified on the next bill
Other Tax Deductible Invoices & Proof of Payment	7 years
Pay Stubs	Keep until reconciled with your W-2
Personal Certificates (birth, death, marriage, divorce, religious ceremonies)	Permanently
Property Records / Improvement Receipts	7 years after property sold
Retirement and Pension Plan Records	Permanently
Sales Receipts	7 years/life of the warranty if longer
Stock and Bond Records	Keep for 7 years beyond sale
Tax Payment Checks	Permanently
Utility Records	4 years
Wage Garnishments	7 years
Warranties and Instructions	Keep for the life of the product

*Note: Please keep in mind that documentation may include all electronic files and memos. This can include, but is not limited to such items as emails, tax software files, general ledger files, ".pdf" files or any other form of information retention that is created and/or stored electronically.*

## FOR BUSINESSES

In business, good record keeping is essential, not only for tax reporting purposes but also for the success of the company. The guidelines below give retention periods for the most common business records.

Document	Retention Period
Accident Reports, Claims	7 years
Accounts Payable Ledgers and Schedules	7 years
Accounts Receivable Ledgers and Schedules	7 years
Audit Reports from CPAs/Accountants	Permanently
Bank Statements and Reconciliations	7 years
Cancelled Checks	7 years
Cancelled Checks for Important Payments (tax payments, Asset purchases)	Permanently
Capital Stock Records	Permanently
Copies of Tax Returns	Permanently
Corporate Formation Documents (incorporation, charter, by-laws, etc.)	Permanently
Deeds, Mortgages	Permanently
Depreciation Schedules	Permanently
Documents Substantiating Fixed Asset Additions	7 years after disposal
Employee Personnel Records	7 years after termination
Employment Applications	7 years after termination
Expense Reports	7 years
Contracts, Leases	7 years after expiration
Expired Insurance Policies	7 years
General Correspondence	4 years
General Ledgers, Year End Trial Balances	7 years
Internal Audit Reports	4 years
Internal Financial Statements (Year End)	Permanently
Inventory Records (except LIFO - retain permanently)	7 years
Investment Trade Confirmations	7 years after sale
Invoices to Customers	7 years
IRS or State Audit Reports	Permanently
IRS Registrations & Elections plus IRS Confirmation Letters	Permanently
Legal Records, Correspondence and Other Important Matters	Permanently
LIFO Inventory Records	Permanently
Minutes Books of Directors and Stockholders	Permanently
Notes Receivable Ledgers, Schedules	7 years after full payment
Other Internal Reports	4 years
Personnel File (terminated employees)	7 years
Physical Inventory Counts	4 years
Paycheck Protection Program (PPP) Loan Documents	6 years from the date the loan is forgiven
Property Appraisals by Outside Appraisers	Permanently
Purchase Orders	7 years
Real Estate Property Records	Permanently
Retirement and Pension Plan Documents	Permanently
Safety Records	7 years
Sales Records	7 years
Shareholder basis schedules	Permanently
Time Cards For Hourly Employees	4 years
Trademark, Patent Registrations and Copyrights	Permanently
Travel and Entertainment Records	7 years
W-2 Forms	7 years