

Business documents create an important history of your transactions with customers, vendors and creditors. It is important these records are available to resolve questions or issues that may arise.

Maintain your records for the minimum period of time according to the list below. In circumstances involving pending or potential litigation, extended record retention periods may apply. Consult legal counsel 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 has special computer retrieval requirements. Consult your tax advisor regarding any applicable IRS requirements.

RECOMMENDED RECORD RETENTION PERIODS

To guide you in minimizing your risks, below is a list of generally accepted, reasonable time periods recommended for retaining business records.

ONE YEAR

- I-9s (after termination)
- Purchase orders (except purchasing department copy)
- Receiving sheets
- Requisitions
- Stockroom withdrawal forms

TWO YEARS

- Bank reconciliations
- Correspondence (routine) with customers or vendors
- Duplicate deposit slips

THREE YEARS

- Correspondence (general)
- Employment applications
- Insurance policies (expired)
- Internal audit reports (in some situations, longer retention periods may be desirable)
- Internal memos and reports (miscellaneous)
- Petty cash vouchers
- Physical inventory tags
- Savings bond registration records of employees

FIVE YEARS

- OSHA logs

SEVEN YEARS

- Accident reports and claims
- Accounts payable ledgers and schedules
- Accounts receivable ledgers and schedules
- Bank statements
- Canceled checks (see exception under permanently)
- Contracts and leases (expired)
- Electronic fund transfer documents
- Employee payroll records (after termination), W-2 and W-4 forms, annual earnings records, etc.
- Employee personnel records (after termination)
- Expense analyses and expense distribution schedules
- Inventories of products, materials and supplies
- Invoices to customers
- Invoices from vendors
- Low-income housing records
- Notes receivable ledger and schedules

SEVEN YEARS (continued)

- Option records (expired)
- Payroll records and summaries, pensions, payroll taxes
- Purchase orders (purchasing department copy)
- Sales records
- Scrap and salvage records (inventories, sales, etc.)
- Stock and bond certificates (canceled)
- Subsidiary ledgers
- Time books/cards
- Voucher register and schedule
- Vouchers for payments to vendors, employees, etc. (includes allowances and reimbursement of employees, officers, etc. for travel and entertainment expenses)

ELEVEN YEARS

- Workers' compensation documents

PERMANENTLY

- Audit reports of accounts
- 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
- Capital stock and bond records; ledgers, transfer registers, stubs showing issues, records of interest coupons, options, etc.
- Cash books
- Charts of accounts
- Construction documents
- Contracts and leases still in effect
- Correspondence (legal and important matters only)
- Deeds, mortgages, titles and bills of sale
- Depreciation schedules
- Financial statements (end-of-year; other months optional)
- General and private ledgers (and end-of-year trial balances)
- Inherited property valuations
- Insurance records, accident reports, claims, policies, etc.
- Journals
- Licenses
- Loan documents, notes
- Minute books of directories and stockholders, including by-laws and charter
- Property appraisals by outside appraisers
- Property records (including costs, depreciation reserves, end-of-year trial balances, depreciation schedules, blueprints and plans)
- Tax returns and workpapers, revenue agents' reports, and other documents relating to determination of income tax liability
- Trademark registrations

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