

Record Retention Guidelines

The age-old dilemma of record retention requirements hasn't gotten any easier, even with the advent of electronic storage possibilities. Even if you religiously keep as many of your business records as possible on your computer and diligently back those records up regularly, you'll still need to retain a great deal of hard copy records for varying periods of time. The secret to minimizing the sheer bulk of this necessary evil is to know when it's safe to throw stuff out.

There is no single statute of limitations for the many categories of records a business needs to hang on to for awhile. The federal and state governments don't always agree and the rules seem to change from year to year. Requirements also vary widely depending on what specific industry you're in. So much for adopting a scientific remedy.

The art of effective record retention boils down to two standards — reason and risk. Some business owners fear risking adverse consequences and hang on to everything forever, an unreasonable behavior resulting in landfills such as yours. Others trash everything early and often, an unreasonably risky path to neatness.

To guide you in minimizing your risks, here's a list of generally accepted, reasonable time periods recommended for retaining business records which you may print out for future reference:

Accident reports and claims (settled cases)	7 years
Accounts payable ledgers and schedules	7 years
Accounts receivable ledgers and schedules	7 years
Audit reports of accountants	Indefinitely
Bank reconciliations	1 year
Bank statements	7 years
Cash books	Indefinitely
Charts of accounts	Indefinitely
Checks (canceled, see exceptions below)	7 years
Checks (canceled for important payments, i.e., taxes, purchases of property, special contracts, etc.)	Indefinitely
Construction documents	Indefinitely
Contracts and leases (expired)	7 years
Contracts and leases still in effect	Expiration + 7 years
Correspondence (general)	3 years
Correspondence (important)	Indefinitely
Deeds, mortgages, bills of sale, titles	Indefinitely
Depreciation schedules	Indefinitely
Duplicate deposit slips	1 year

Electronic fund transfer documents	7 years
Employee personnel records (after termination)	7 years
Employment applications	3 years
Expense analyses and expense distribution schedules	7 years
Financial statements (end-of-year, other months optional)	Indefinitely
General and private ledgers (and end-of-year trial balance)	Indefinitely
I-9s (after termination)	1 year
Insurance policies (expired)	3 years
Inventories of products, materials, supplies	7 years
Invoices to customers	7 years
Invoices from vendors	7 years
Journals	Indefinitely
Leases	see Contracts
Licenses	Indefinitely
Loan documents, notes	Indefinitely
Minute books of directors and stockholders, including by-laws and charter	Indefinitely
Notes receivable ledgers and schedules	7 years
OSHA logs	5 years
Payroll records and summaries, pensions, payroll taxes	7 years
Petty cash vouchers	3 years
Property appraisals by outside appraisers	Indefinitely
Property records including costs, depreciation reserves, end-of-year trial balances, depreciation schedules, blueprints and plans	Indefinitely
Purchase orders (purchasing department copy)	7 years
Receiving sheets	1 year
Sales records	7 years
Scrap and salvage records (inventories, sales, etc.)	7 years
Subsidiary ledgers	7 years
Tax returns and worksheets, agents' reports, any documents relating to income tax liability	Indefinitely
Time books/cards	7 years
Trade mark registrations	Indefinitely
Voucher register and schedules	7 years
Vouchers for payments to vendors, employees, etc. (including allowances and reimbursement of employees officers, etc., for travel and entertainment expenses)	7 years
W-4 forms	4 years
Workmans' comp. documents	11 years