

Business Records Retention Schedule

Business records should be disposed of as soon as they outlive their usefulness.

This schedule has been developed as a guide only. There are situations that would alter the holding period. Consult your legal counsel before destroying records if you are uncertain. This guide applies to both paper and electronic records.

Item	Retention Period
Accounts payable ledgers and schedules	7 years
Accounts receivable ledgers and schedules	7 years
Audit reports	Permanently
Bank reconciliations	1 year
Capital stock and bond records: ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etc.	Permanently
Charts of accounts	Permanently
Checks (cancelled, but see exception below)	7 years
Checks (cancelled for important payments, i.e., taxes, purchases of property, and special contracts; checks should be filed with the papers pertaining to the underlying transaction)	Permanently
Contracts and leases (expired)	7 years
Contracts and leases (still in effect)	Permanently
Correspondence with customers or vendors	3 years
Correspondence (legal and important matters only)	Permanently
Deeds, mortgages, and bills of sale	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	1 year
Employee personnel records (after termination)	3 years
Employment applications	3 years
Financial statements (end-of-year, other months optional)	Permanently
General and private ledgers (and end-of-year trial balances)	7 years
Insurance policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports (in some situations longer retention periods may be desirable)	3 years
Internal reports (miscellaneous)	3 years

Item	Retention Period
Inventories of products, materials, and supplies	7 years
Investments: security and asset acquisition records	Permanently
Invoices to customers	7 years
Invoices from vendors	7 years
Board minutes of directors and stakeholders, including by-laws and charter, incorporation, and initial property transfers from incorporators	Permanently
Notes receivable ledgers and schedules	7 years
Patent records	Permanently
Payroll records and summaries, including payments to current and former employees	7 years
Physical inventory documentation	3 years
Property appraisals by outside appraisers	Permanently
Property records (including costs, depreciation reserves, end-of-year trial balances, depreciation schedules, blueprints, and plans)	Permanently
Purchase orders (except purchasing department copy)	1 year
Purchase orders (purchasing department copy)	7 years
Receiving sheets	1 year
Sales records	7 years
Stock and bond certificates (cancelled), option agreements	Permanently
Subsidiary ledgers	7 years
Tax returns and worksheets, revenue agents' reports, and other documents relating to determination of income tax liability	Permanently
Voucher registers and schedules	7 years
Vouchers for payments to vendors, employees, etc. (includes allowances and reimbursement for travel and entertainment expenses)	7 years

Any tax advice included in this communication is not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer.