

Sitkoff/O'Neil Accountancy Corporation

Truckee, Tahoe City, Reno and San Francisco

RECORDS RETENTION SCHEDULE

This table contains recommended document retention periods based on federal requirements. Any unique retention requirements resulting from state tax statutes will need to be included. Also, it may be necessary to retain some records longer because of nontax reasons. For example, insurance policies, leases, real estate closing statements and employee payroll records might need to be kept longer than needed for IRS purposes. Taxpayers should consult with their attorneys about how long to retain legal documents. From the later of the tax return due date or filing date. (All records related to a return should be kept for at least six years if there is any concern the IRS could show a significant understatement of gross income on the return.) Longer if you use LIFO.

Accident reports/claims (settled cases) 7 years

Accounts payable ledgers and schedules 7 years

Accounts receivable ledgers and schedules 7 years

Audit reports Permanently

Bank reconciliations 2 years

Bank statements 3 years

Capital stock and bond records: ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etc. Permanently

Cash books Permanently

Charts of accounts Permanently

Checks (canceled-see exception below) 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

Contracts, mortgages, notes, and leases
(expired) 7 years

(still in effect) Permanently

Correspondence (general) 2 years

Correspondence (legal and important matters only) Permanently

Correspondence (routine) with customers and/or vendors 2 years

Deeds, mortgages, and bills of sale Permanently

Depreciation schedules Permanently

Duplicate deposit slips 2 years

Employment applications 3 years

Expense analyses/expense distribution schedules 7 years

Financial statements (year-end, other optional) Permanently

Garnishments 7 years

General/private ledgers, year-end trial balance Permanently

Insurance policies (expired) 3 years

Insurance records, current accident reports, claims, policies, etc. Permanently

Internal audit reports (longer retention periods may be desirable) 3 years
Internal reports (miscellaneous) 3 years
Inventories of products, materials, and supplies 7 years
Invoices (to customers, from vendors) 7 years
Journals Permanently
Magnetic tape and tab cards 1 year
Minute books of directors, stockholders, bylaws, and charter Permanently
Notes receivable ledgers and schedules 7 years
Option records (expired) 7 years
Patents and related papers Permanently
Payroll records and summaries 7 years
Personnel files (terminated) 7 years
Petty cash vouchers 3 years
Physical inventory tags 3 years
Property records, including costs, depreciation reserves, year-end 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
Retirement and pension records Permanently
Requisitions 1 year
Sales commission reports 3 years
Sales records 7 years
Scrap and salvage records (inventories, sales, etc.) 7 years
Stenographers' notebooks 1 year
Stock and bond certificates (canceled) 7 years
Stockroom withdrawal forms 1 year
Subsidiary ledgers 7 years
Tax returns and worksheets, revenue agents' reports, and other documents relating to determination of income tax liability Permanently
Time books/cards 7 years
Trademark registrations and copyrights Permanently
Training manuals Permanently
Union agreements Permanently
Voucher register and schedules 7 years
Vouchers for payments to vendors, employees, etc. (includes allowances and reimbursements of employees, officers etc., for travel and entertainment expenses) 7 years
Withholding tax statements 7 years