

RECORDS RETENTION TIMELINE

Businesses must maintain documents and records so that an accounting of business activities may be performed. Whether for an audit, tax return, or for strategic planning, businesses must gather, summarize and analyze facts and figures to support financial documents. After the financial statements are issued and tax returns filed, the question remains how long do you retain your records? The list below offers general guidance compiled from federal and state resources.

	Years						
	2	3	4	6	8	10	Indefinitely
ACCOUNTING							
Bank statements & deposit slips							
Payroll (time cards)							
Dividend checks (canceled)							
Expense reports							
Subsidiary ledgers (including A/P & A/R ledgers)							
Trial balances (monthly)							
Checks (payroll & general)							
Payroll (individual time reports & earnings records)							
Vouchers (for payments to vendors, employees, et al.)							
Audit reports							
General ledgers & journals							
CORPORATE RECORDS							
Mortgages, notes and leases (expired)							
Bylaws, charter & minute books							
Cash books							
Capital stock & bond records (certificates, transfers)							
Checks (taxes, property & fulfillment contracts)							
Contracts & agreements							
Copyrights & trademark registrations							
Deeds & easements							
Patents							
Proxies							
Retirement & pension records							
Tax returns & working papers							
CORRESPONDENCE							
General							
Production							
Legal & tax							
INSURANCE							
Policies (all types-expired)							
Accident reports							
Fire inspection reports							
Group disability records							
Safety reports							
Claims (after settlement)							
PERSONNEL RECORDS							
Contracts (expired)							
Daily time reports							
Disability & sick benefits records							
Personnel files (terminated)							
Withholding tax statements							
PURCHASING & SALES							
Purchase orders							
Requisitions							
Sales contracts							
Sales invoices							
TRAFFIC (Receiving/Shipping)							
Export declarations							
Freight bills							
Manifests							
Shipping & receiving reports							
Waybills & bills of lading							

Please Note - Many business managers keep original records for a specific time period (seven years is the most quoted), after which no action can be brought against them. In fact, there is no single statute of limitations---there are dozens of them, and the time period for each statute varies depending on the particular law and state. Therefore, record-keeping policies must be guided by the rule of reason and the probability and dollar amount of risk involved, not by statutes of limitations alone. You may also want to consider a general rule of retaining records as long as the documentation is relevant. Today, documentation includes all electronic files and records. This may include, but is not limited to emails, software files, general ledger files, pdf files or any other form of information retention that is created and/or stored electronically.