

Recommended Record-Retention Schedules* (Business)

<u>Type of Record</u>	<u>Retention Period</u>
<u>ACCOUNTING</u>	
Audit reports	Indefinitely, 7 years after liquidation of entity
Bank reconciliations	7 Years
Bank statements and deposit slips	7 years
Cash books	Indefinitely, 7 years after liquidation of entity
Charts of Accounts	Indefinitely, 7 years after liquidation of entity
Checks - Cancelled-Payroll-General	8 years
Depreciation schedules	Tax life of asset, plus 3 years
Employee expense reports	6 years
Financial Statements	Indefinitely, 7 years after liquidation of entity
Fixed Assets Detail	Indefinitely 7 years after liquidation of entity
General ledger and journals	Indefinitely, 7 years after liquidation of entity
Other records relating to revenue	6 years
Other capital asset records	Tax life of asset, plus 3 years
Other records relating to expenses	3 years
Paid vendor invoices	3 years
Sales records and journals	6 years
Sales tax returns (Florida)	Indefinitely, 7 years after liquidation of entity
Trial Balances - Monthly	6 years
Travel and entertainment expense records	6 years
<u>CORPORATE</u>	
By-laws, corporate minutes and stock records	Indefinitely, 7 years after liquidation of entity
Checks- taxes, property, settlement of important contracts	Indefinitely, 7 years after liquidation of entity
Company policy & practice manuals	Indefinitely, 7 years after liquidation of entity
Contracts and leases	Indefinitely, 7 years after liquidation of entity
Copies of tax returns and working papers	Indefinitely, 7 years after liquidation of entity
Copyrights and trademark registrations	Indefinitely
Deeds and easements	Indefinitely
Labor contracts	Indefinitely, 7 years after liquidation of entity
Mortgage, notes and lease - Expired	8 years
Retirement and pension records	Indefinitely
Partnership agreement and amendments	Permanently
Operating agreement and amendments (LLC)	Permanently
Real estate records	Indefinitely, 7 years after liquidation of entity
<u>CORRESPONDENCE</u>	
General	2 years
License, traffic & purchase	7 years
Tax/legal correspondence	Indefinitely, 7 years after liquidation of entity
<u>INSURANCE</u>	
Accident reports	6 years
Claims - after settlement	10 years
Fire inspection reports	7 years
Group disability reports	8 years
Policies -all types- including expired	Indefinitely
Safety reports	8 years
<u>PERSONNEL</u>	
Contracts - Expired	7 years
Daily time reports	7 years
Disability and sick benefit records	7 years
Employment applications	3 years
Employee tip substantiation	3 years, or as long as it is material in the administration of IRS Law.
Payroll records and tax returns	7 years
Personnel files - Terminated	7 years
Withholding tax statements	6 years

*Recommended document retention periods are based on federal and Florida requirements. You should keep all records for as long as you need the appropriate documentation. It may be necessary to retain some records longer because of nontax reasons. Insurance policies, leases, real estate closing statements and employee payroll records might need to be kept longer than needed for IRS purposes. 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. For more information see IRS publication 552, Publication Number 583 and Publication Number 463

For 1040 Clients:

Regarding the question of records to be retained for Internal Revenue Service (IRS) purposes, IRS suggests the following:

1. Keep tax returns indefinitely.
2. The IRS statute of limitations can vary, however, assuming all returns have been timely filed, the 3 year statute of limitations applies. I would suggest, at a minimum, keeping all records for 4 years plus the current year. In the future, you can consider dropping the oldest year each May.
3. Keep all records that support assets you currently own in case they are disposed of in the future. These records include, but not limited to, invoices, cancelled checks and possible bank statements if it supports what took place.
4. Medical expenses - See #2 above.
5. Donations - See #2 above.
6. Insurance policies - Definitely keep the original policy and at least the last annual statement. I prefer that you keep all annual statements.
7. IRA's/other statements - See #2 above plus original certificates at a minimum.
8. All records related to your home including major improvements should be retained.
9. All records related to any other real estate should be retained.

Information related to utility bills, personal purchases, etc. that will not involve charitable gifts in the future can be destroyed. Bank statements that do not support the areas described above can be destroyed. Anything else that I did not describe above should be able to be destroyed.

The destruction of records, such as medical records, may be able to be done for IRS purposes, but you may need them for medical reasons. Please be sure to think about the other reasons records may be needed before they are destroyed.

Unfortunately, these guidelines may still have qualifiers attached, so if you have questions please call..

Firm copies of files that we have prepared for you are held for five years. We retain the right to purge these files after this five year period without notification. In the event you need any file information we may have, please contact us and we will be glad to assist you any way we can. We may expect to receive compensation for time required to comply with your request.