

RETENTION OF BUSINESS RECORDS

There have been many inquiries as to what records must be retained and for how long. Retention of business records are required by the Uniform Commercial Code, the Internal Revenue Code and the Employee Retirement Income Security Act. There may be other regulatory agencies that have special requirements and these must be considered as well.

The following business record retention schedule is only a guide and should be modified wherever needed. If you are considering disposing of any items in the first two categories you should contact us prior to disposing of those documents.

Permanent Records

Cancelled checks for taxes, purchases of property, special contracts, etc. (checks should be filed with the papers pertaining to the underlying transaction).

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

Cash books

Chart of Accounts

Correspondence (legal and important matters)

Deeds, mortgages, and bills of sale, as well as contracts and leases

Financial statements - end of year (other months optional) including audit reports of Certified Public Accountants

General ledgers

Insurance records, current accident reports, claims policies

Journals

Minute books of Board of Directors meetings

Certificate of Incorporation, Constitution and By-Laws.

Property records - including appraisals, costs, depreciation reserves, and end-of-year trial balances, depreciation schedules, blueprints and plans and computational records related to the above areas

Tax exemption determinations from Federal, State and Local agencies

Tax returns and worksheets, Revenue Agents' Report and other documents relating to determination of income tax liability

Six to Seven Years

Accident reports and claims (settled cases)

Accounts payable / voucher register

Accounts receivable ledgers and trial balances

Bank statements, including bank reconciliations

Cancelled checks (see exception under Permanent Records)

Cash receipts and disbursement records

Contracts and leases (expired)

Employee Personnel records after termination (if a retirement plan was in effect, regardless if employee was a plan participant); (if employee was a participant in a pension plan, consult your plan advisor)

Expense analyses and expense distribution schedules

Inventory records

Purchase orders (purchasing department copy)

Employee time records

Voucher register and trial balances

Vouchers for payments to vendors, employees, etc. (includes allowances and reimbursement of employees, officers, etc, for travel and entertainment expenses)

Three to Four Years

Duplicate deposit tickets

Employee personnel records after termination (see exception under Six to Seven Years)

Employment applications

General correspondence

Grant applications

Insurance policies which have expired

Internal audit reports, including working papers (in some situations, longer retention periods may be desirable)

Petty cash vouchers

Sales records and summaries

Miscellaneous internal reports

One Year or Less

Correspondence of unimportant nature with vendors

Receiving sheets