

## How Long Should I Keep My Records?

Organizing, filing and retaining old records is a burden for many businesses and households. The following types of records and retention periods are general guidelines and should be tempered by your own business and investment concerns, as well as the advice of legal counsel.

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### BUSINESS RECORDS RETENTION PERIOD

Accident Reports/Claims (Settled Cases)	7 Years
Accounts Payable Ledgers And Schedules	7 Years
Accounts Receivable Ledgers And Schedules	8 Years
Audit Reports	Permanently
Bank Statements	3 Years
Capital Stock And Bond Records:	
Ledgers, Transfer Registers, Stubs Showing Issues, Record of Interest Coupons, Options, etc.	Permanently
Charts Of Accounts	Permanently
Checks (Cancelled Checks For Important Payments, Special Contracts, Purchase Of Assets, Payment Of Taxes, etc. Checks Should Be Filed With The Papers Pertaining To The Underlying Transaction	Permanently
Checks (Cancelled Except Those Noted Above)	7 Years
Contracts And Leases (Expired)	7 Years
Contracts And Leases Still In Effect	Permanently
Correspondence, General And Schedules	2 Years
Correspondence, Legal And Important Letters	Permanently
Correspondence, Routine With Customers/Vendors	2 Years

Deeds, Mortgages And Bills Of Sale	Permanently
Depreciation Schedules	Permanently
Employee Personal Records (After Termination)	7 Years
Employment Applications	3 Years
Financial Statements (Year-end, Other Months Optional)	Permanently
General Ledgers, Year-end Trial Balances	Permanently
Insurance Records, Policies, etc.	Permanently
Internal Audit Reports (Miscellaneous)	3 Years
Inventory Records	7 Years
Invoices to Customers Or From Vendors	7 Years
IRA And Keogh Plan Contributions, Rollovers, Transfers And Distribution	Permanently
Minute Books Of Directors, Stockholders, Bylaws & Charter	Permanently
Payroll Records, Summaries And Tax Returns	7 Years
Petty Cash Vouchers	3 Years
Property Records, Including Costs, Depreciation Reserves, Year-End Trial Balances, Depreciation Schedules, Blueprints, And Plans	Permanently
Purchase Orders	3 Years
Receiving Sheets	1 Year
Safety Records	6 Years
Sales Records	7 Years
Stock And Bond Certificates (Cancelled)	7 Years
Subsidiary Ledgers	7 Years
Tax Returns, Revenue Agents' Reports, And Other Documents Relating To Determination Of Income Tax Liability	Permanently
Time Cards And Daily Reports	7 Years
Trademark Registrations, Patents, And Copyrights	Permanently

Voucher Register And Schedules	7 Years
Vouchers For Payments To Vendors, Employees, etc. (Includes Allowances & Reimbursements Of Employees, Officers, etc., For Travel & Entertainment Expenses)	7 Years

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The normal statute of limitations on federal returns is three years. Under some circumstances it is six years, and if you fail to file a return or there is fraud involved, the statute of limitations does not close.

This means that the Internal Revenue Service under nominal conditions would audit your return any time up through three years. Since the statute of limitations in some states exceeds the federal statute, you should tailor your years of retention to the longer of the two statutes. For example, Kentucky has a four-year statute of limitations. Therefore, you should keep the above items for four years.

In deciding your own record retention schedule, consider keeping indefinitely those records which cannot be recreated by any other office, institution or governmental unit.