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How long should you keep your records?

If there was ever an area to be hyper-disciplined in, it's record keeping and records retention. The more disciplined you are about record keeping, the more likely you are to know that you are leveraging every tax-saving strategy.

Records Retention for Businesses:

Depending on your business category, the length of time and format of your records may vary. The guidelines that follow here cover the most common business records. Feel free to give us a call should you have questions about what you need to retain, or even how to connect with a records management firm who can securely store your records offsite.

Individuals and Record Keeping:

There's no reason to keep decades-old file boxes in your attic or basement. (By the way, filing taxes electronically doesn't change the retention guidelines.) Make your life easier by knowing the guidelines. Just how long should you keep your records? Use three things to determine what you keep:

- State guidelines
- Federal statutes
- Common Sense

Here are some over-arching principles:

- Any federal return may be audited up to three years after filing; however, if our friends at the IRS suspect you've underreported income, they may want to look back six years. So it is recommended that you keep seven years' worth of records in order to be safe.

The following pages provide a great deal of helpful guidelines and schedules. If, however, you have any questions or concerns, please call us at (804) 855-1200.

Record Retention Guidelines

Accounting Records	Retention Period
Tax returns (uncomplicated)	7 yrs
Tax returns (all others)	Permanent
W-2s	7 yrs
1099s	7 yrs
Canceled checks supporting tax deductions	7 yrs
Bank deposit slips	7 yrs
Bank statements	7 yrs
Charitable contribution documentation	7 yrs
Receipts, diaries, logs pertaining to tax return	7 yrs
Investment purchase and sales slips	Ownership period + 7 yrs
Dividend reinvestment records	Ownership period + 7 yrs
Year-end brokerage statements	Ownership period + 7 yrs
Mutual fund annual statements	Ownership period + 7 yrs
Investment property purchase	Ownership period + 7 yrs
Home purchase documents	Ownership period + 7 yrs
Home improvements receipts and canceled checks	Ownership period + 7 yrs
Home repairs receipts and canceled checks	Ownership period + 7 yrs
Retirement plan annual report	Permanent
IRA annual reports	Permanent
IRA nondeductible contributions Form 8606	Permanent
Insurance policies	Life policy + 3 yrs*
Divorce documents	Permanent
Loans	Term of loan + 7 yrs
Estate planning documents	Permanent
*Check with your agent. Liability for prior years can vary.	

Guide for Business

Accounting Records	Retention Period
Accounts payable	7 yrs
Accounts receivable	7 yrs
Audit reports	Permanent
Chart of accounts	Permanent
Depreciation schedules	Permanent
Expense records	7 yrs
Financial statements (annual)	Permanent
Fixed asset purchases	Permanent
General ledger	Permanent
Inventory records	7 yrs

Loan payment schedules	7 yrs
Purchase orders (1 copy)	7 yrs
Sales records	7 yrs
Tax returns	Permanent

Bank Records

Accounting Records	Retention Period
Bank reconciliations	2 yrs
Bank statements	7 yrs
Canceled checks	7 yrs
Electronic payment records	7 yrs

Corporate Records

Accounting Records	Retention Period
Board minutes	Permanent
Bylaws	Permanent
Business licenses	Permanent
Contracts - major	Permanent
Contracts - minor	Life + 4 yrs
Insurance policies	Life + 3 yrs
Leases/mortgages	Permanent
Patents/trademarks	Permanent
Shareholder records	Permanent
Stock registers	Permanent
Stock transactions	Permanent

Employee Records

Accounting Records	Retention Period
Benefit plans	Permanent
Employee files (ex-employees)	7 yrs
Employment applications	3 yrs
Employment taxes	7 yrs
Payroll records	7 yrs
Pension/profit sharing plans	Permanent

Real Property Records

Accounting Records	Retention Period
Construction records	Permanent
Leasehold improvements	Permanent
Lease payment records	Life + 4 years
Real estate purchase	Permanent

Business Records

Accounting Records	Retention Period
Accounts payable ledger	7 yrs
Accounts receivable aging reports	7 yrs
Accounts receivable ledger	7 yrs
Accounts receivable invoices	7 yrs
Accounts written-off	7 yrs
Authorization - accounting	5 yrs
Balance sheets	Permanent
Bank reconciliations	7 yrs
Bank statements	7 yrs
Bank deposit slips	3 yrs
Budgets	3 yrs
Canceled checks	10 yrs
Canceled dividend checks	Permanent
Cash book	Permanent
Cash disbursement and receipt records	Permanent
Cash sales slips	7 yrs
Charge slips	7 yrs
Chart of accounts	Permanent
Check register	Permanent
Expense reports	7 yrs
Financial statements	Permanent
General ledger	Permanent
Investment - sales/purchases	Permanent
Journal entries	Permanent
Petty cash records	7 yrs
Profit/loss statements	Permanent
Purchase order	7 yrs
Subsidiary ledger	Permanent
Trial balance	Permanent
Vendor invoices	7 yrs
Voucher check copies	7 yrs

Corporate Records	Retention Period
Ammendments	Permanent
Annual reports	Permanent
Articles of Incorporation	Permanent
Audit reports - permanent	Permanent
Audit - internal	6 yrs
Board of directors - committee	Permanent
Board of directors - minute book	Permanent
Bylaws	Permanent
Capital stock certificates	Permanent
Capital stock ledger	Permanent
Capital stock transitions	Permanent
Charter	Permanent
Contracts - after termination	Permanent
Contributions	7 yrs
Correspondence - accounting	5 yrs
Correspondence - general	Permanent
Dividend register and canceled dividend checks	Permanent
Election records	Permanent
Financial statements	Permanent
Organizational charts	Permanent
Partnership agreement	Permanent
Stock transfer records	Permanent
Stockholders - minute book	Permanent

Fixed Assets	Retention Period
Depreciation schedule	Permanent
Inventory records	Permanent
Plans and blueprints	Permanent
Plant cost ledger	Permanent
Property appraisals	Permanent
Property register	Permanent
Records for property subject to depletion	Permanent

Accounting Firms	Retention Period
Tax return preparers	4 yrs
Tax returns prepared	4 yrs

Human Resources	Retention Period
Accident reports - settled	7 yrs
Attendance records	7 yrs
Dental benefits	5 yrs
Disability benefits - after expirations/settlement	7 yrs
Employee medical history	7 yrs
Employment applications - not hired	3 yrs
Garnishments	5 yrs
Life insurance benefits	5 yrs
Medical benefits	7 yrs
Pension plan agreement	Permanent
Performance record - after termination	7 yrs
Personnel file - after termination	7 yrs
Personnel file - current employees	Permanent
Profit sharing agreement	Permanent
Safety reports	5 yrs
Vacation files	4 yrs
Workers compensation benefits	10 yrs
Sick pay	4 yrs
Family and medical leave	3 yrs

Insurance	Retention Period
Automobile insurance claims	10 yrs
Disability insurance claims - after termination	7 yrs
Expired insurance policies	10 yrs
Fire inspection reports	6 yrs
Insurance appraisals	6 yrs
Safety records	6 yrs
Foreign insurance policies	3 yrs

Legal	Retention Period
Bill of sale	Permanent
Business permits	Permanent
Claims and litigation concerning torts and breach of contract	Permanent
Contracts - employees	Permanent
Contracts - government	Permanent
Contracts - labor unit	Permanent
Contracts - special	Permanent
Copyrights	Permanent
Correspondence - legal	Permanent
Deeds/titles	Permanent
Leases/canceled	10 yrs
Licenses	Permanent
Mortgages	Permanent

Notes receivable - canceled	10 yrs
Patents	Permanent
Stock and bond record	Permanent
Trademarks - registered	Permanent

Payroll	Retention Period
Contractors	3 yrs from date of completion of project
Checks - payroll	7 yrs
Commission reports - salesperson	6 yrs
Employee withholding exemption certificates	10 yrs
Payroll register	4 yrs
Payroll records - after termination	10 yrs
Salary history	8 yrs
Time reports	7 yrs
W2 forms	Permanent
Vacation/sick pay	4 yrs
Large food or beverage establishment reporting tips	3 yrs
Employee tip substantiation	3 yrs

Security	Retention Period
Classified material violations	Permanent
Visitor clearance	2 yrs

Taxation	Retention Period
Tax free reorganization	Permanent
338 election	7 yrs
Canceled checks - tax payments	Permanent
Correspondence - tax	Permanent
Depreciation schedules	Permanent
Income tax returns	Permanent
Inventory reports	Permanent
FUTA/FICA/Income tax withholding	4 yrs
Payroll tax returns	Permanent
Revenue agent reports	Permanent
Sales tax returns	Permanent
Transfer pricing	4 yrs

Miscellaneous	Retention Period
Receiving documents	10 yrs
Title papers	Permanent
Vehicle operating and maintenance	2 yrs
Telecommunications copies	1 yrs
Prepaid dues income	4 yrs
Financial institution loan loss reserves	Permanent
Mutual savings bank bad debt reserve	Permanent

Individual Records	Retention Period
Tax return copies	Permanent
Medical receipts	7 yrs
Forms 1099 received	7 yrs
Forms W2 received	Permanent
401 K/Keogh statements	7 yrs
IRA statements (deductible & nondeductible)	7 yrs
Loan records/Forms 1098	7 yrs
Annuity year end statements	7 yrs
Insurance policies - life	Permanent
Insurance policies - other	7 yrs
Major purchase receipts	7 yrs
Year-end brokerage statements/trade confirmations	7 yrs
Certificates of deposit statements	7 yrs
Schedule K-1's from partnership or S corporation	7 yrs
House records (cancelled checks for purchase of major improvements and maintenance)	Permanent
Birth and death certificates	Permanent
Medical records	Permanent
Wills	Permanent
Trust agreements	Permanent
Detailed list of financial assets held	Permanent
Alimony, custody or prenuptial agreements	Permanent
Military papers	Permanent
Photos or videotape of valuables	Permanent