



Document Retention Plan

(Business & Individual)

You must keep records as long as they may be needed to prove the income or deductions on a tax return. It is important to hold onto your business records in case of an IRS audit or other examination as well as for financing needs.

Retaining unnecessary records will soon exceed storage space available for most businesses and individuals. Therefore, you may wish to establish a retention schedule that takes into account state and federal regulations, as well as industry standards. **The retention periods are intended as a general guideline only.**

Business – Accounting Records

Auditors' report/Annual financial statements.....	Permanently	General journal	Permanently
Bank statements and deposit slips	7 years	General ledger	Permanently
Cancelled checks:		Inventory listings and tags	7 years
▶ Fixed assets	Permanently	Invoices: sales to customers/credit memos.....	7 years
▶ Taxes (payroll related).....	7 years	Patent/trademark and related papers	Permanently
▶ Taxes (income).....	Permanently	Payroll journal.....	7 years
▶ General	7 years	Production and sales reports.....	7 years
▶ Payroll.....	7 years	Purchases.....	7 years
Cash disbursements.....	7 years	Purchase journal	7 years
Cash receipts journal.....	7 years	Purchase orders.....	7 years
Chart of accounts	Permanently	Sales or work orders	7 years
Deeds, mortgages, bills of sale.....	Permanently	Subsidiary ledgers (accounts receivable, accounts payable, equipment).....	7 years
Electronic payment records	7 years	Time cards and daily time reports	7 years
Employee expenses reports.....	7 years	Training manuals	Permanently
Fixed asset record (invoices, cancelled checks, Depreciation schedules).....	Permanently	Trial balance – year end	Permanently
Freight bills and bills of lading	7 years		

Business – Employee Benefit Plan Records

Actuarial reports	Permanently
Allocation and compliance testing	7 years
Brokerage/Trustee statements supporting investments	7 years
Financial statements	Permanently
General ledger and journals.....	Permanently
Information returns (Form 5500).....	Permanently
Internal Revenue Service/Department of Labor Correspondence	Permanently
Participant communications related to distribution, termination and beneficiaries	7 years
Plan and trust agreements.....	Permanently

Business – Insurance Records

Accident reports and settled claims.....	6 years after settlement
Fire inspection and safety reports	7 years
Insurance policies (still in effect).....	Permanently
Insurance policies (expired)	7 years

Business – Tax Records

IRS adjustments.....	Permanently
Payroll tax returns	7 years
Property basis records	Permanently
Sales and use tax returns	Permanently
Tax return and cancelled checks for tax payments....	Permanently

Please note that this table should only be used as a guide. You should consult with your attorney and insurance carrier when establishing a record retention policy. It is also recommended reviewing your record retention policy annually and updating it as necessary considering changes in governmental and professional requirements and the cost of retaining records.

Document Retention Plan (cont.)

Business – Legal Records

Articles of Incorporation and Bylaws.....	Permanently
Buy-sell agreements	Permanently
Contracts and leases (still in effect).....	Permanently
Contracts and leases (expired).....	7 years
Employment agreements	7 years
Legal correspondence	Permanently
Minutes.....	Permanently
Partnership agreements.....	Permanently
Stock certificates and ledgers	Permanently

Business – Personnel Records

Child labor certificates and notices	3 years
Employment application (from date of termination)	2 years
Employment eligibility verification (I-9 Form)	3 years
Help wanted ads and job opening notices	2 years
Personnel files (from date of termination).....	4 years
Records of job injuries causing loss of work	5 years
Safety: chemical and toxic exposure records	30 years
Union agreements and individual employee contracts (from date of termination).....	3 years

Individual – General Records Retention

401K /Keogh Statements	7 years *
Alimony, Custody or Prenuptial Agreements.....	Permanently
Annuity Year End Statements.....	7 years *
Bank Statements.....	7 years
Birth and Death Certificates	Permanently
Cancelled Checks.....	7 years
Certificates of Deposit Statements	7 years
Charitable Contributions.....	7 years
Credit Card Statements and Purchase Receipts.....	7 years
Detailed List of Financial Assets Held.....	Permanently
Employee Business Expense Reports	7 years
Forms 1099 Received	7 years
Forms W2 Received	Permanently
House Records (cancelled checks for purchase of major improvements and maintenance).....	Permanently
Individual Retirement Account Records	Permanently

IRA Statements (deductible & non-deductible)	7 years to Permanently
Insurance Policies – Life	Permanently
Insurance Policies – Other	7 years
Loan Records/Forms 1098.....	7 years *
Major Purchase Receipts	7 years
Medical Expenses	7 years
Medical Records	Permanently
Military Records	Permanently
Pay Stubs.....	One year
Pay Stub – Final Pay Stub.....	7 years
Photos or Videotape of Valuables	Permanently
Real Estate Documents (retain after property has been disposed of and taxes have been paid).....	7 years
Tax return and cancelled checks for tax payments....	Permanently
Investment/Sales of Stocks & Bonds.....	7 years

Special Circumstances

Car Records (keep until the car is sold)
Insurance Policies (keep for the life of the policy)
Mortgages / Deeds / Leases (keep 7 years beyond the agreement)
*Property Records / Improvement Receipts (retain 7 years after
property has been disposed of and taxes have been paid)*
Sales Receipts (keep for life of the warranty)

Stock and Bond Records (keep for 7 years beyond selling)
Warranties and Instructions (keep for the life of the product)
Other Bills (keep until payment is verified on the next bill)
*Depreciation Schedules and Other Capital Asset Records (keep for
3 years after the tax life of the asset)*

*** 7 Years Following Disposition, Termination, or Pay Off**

Please note that this table should only be used as a guide. You should consult with your attorney and insurance carrier when establishing a record retention policy. It is also recommended reviewing your record retention policy annually and updating it as necessary considering changes in governmental and professional requirements and the cost of retaining records.

**If you have questions about destroying any tax or accounting records,
please contact an LGT professional immediately.**