

BUSINESS RECORDS RETENTION SCHEDULE

Business records should be disposed of as soon as they outlive their usefulness.

This schedule has been developed as a guide, primarily based on IRS guidance. There are situations which would alter the holding period. Consult legal counsel before destroying if you are uncertain.

This guide applies to both paper and electronic records.

ITEM	RETENTION PERIOD	ITEM	RETENTION PERIOD
Accident reports and claims (settled cases)	7 years	Investments: security and asset acquisition records	Permanently
Accounts payable ledgers and schedules	7 years	Invoices to customers	7 years
Accounts receivable ledgers and schedules	7 years	Invoices from vendors	7 years
Audit reports of accountants	Permanently	Journals	Permanently
Bank reconciliations	1 year	Minute books of directors and stockholders, including by-laws and charter, incorporation and initial property transfers from incorporators	Permanently
Capital stock and bond records: ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etc.	Permanently	Notes receivable ledgers and schedules	7 years
Charts of accounts	Permanently	Option records (expired)	7 years
Checks (cancelled, but see exception below)	7 years	Payroll records and summaries, including payments to current and former employees	7 years
Checks (cancelled for important payments, i.e., taxes, purchases of property, special contracts, etc.) (Checks should be filed with the papers pertaining to the underlying transaction.)	Permanently	Physical inventory documentation	3 years
Contracts and leases (expired)	7 years	Property appraisals by outside appraisers	Permanently
Contracts and leases (still in effect)	Permanently	Property records—including costs, depreciation reserves, end-of-year trial balances, depreciation schedules, blueprints, and plans	Permanently
Correspondence with customers or vendors	3 years	Purchase orders (except purchasing department copy)	1 year
Correspondence (legal and important matters only)	Permanently	Purchase orders (purchasing department copy)	7 years
Deeds, mortgages, and bills of sale	Permanently	Receiving sheets	1 year
Depreciation schedules	Permanently	Requisitions	1 year
Duplicate deposit slips	1 year	Sales records	7 years
Employee personnel records (after termination)	3 years	Scrap and salvage records (inventories, sales, etc.)	7 years
Employment applications	3 years	Stock and bond certificates (cancelled), option agreements	7 years
Financial statements (end-of-year, other months optional)	Permanently	Subsidiary ledgers	7 years
General and private ledgers (and end-of-year trial balances)	7 years	Tax returns and worksheets, revenue agents' reports, and other documents relating to determination of income tax liability	Permanently
Insurance policies (expired)	3 years	Trademark registrations	Permanently
Insurance records, current accident reports, claims, policies, etc.	Permanently	Voucher registers and schedules	7 years
Internal audit reports (in some situations longer retention periods may be desirable)	3 years	Vouchers for payments to vendors, employees, etc. (includes allowances and reimbursement of employees, officers, etc., for travel and entertainment expenses)	7 years
Internal reports (miscellaneous)	3 years		
Inventories of products, materials, and supplies	7 years		