

GUIDELINES FOR RECORD RETENTION

It is important to build a recordkeeping system that is organized and convenient. First determine whether to use a traditional paper filing system, an electronic system of filing, or a combination of the two. There are pros and cons to both related to reliability, security and privacy, convenience and flexibility, storage, costs and access control. Ultimately, you must find a system that is right for you. Second, implement a document retention policy. Various agencies (i.e. IRS, state tax authorities, labor divisions, insurance companies, etc.) have their own policies, and unusual or extenuating circumstances in your business or life may play an important role. We recommend having separating permanent records from the rest so that an annual purge will not accidentally destroy those documents. The Internal Revenue Service has this to say: <https://www.irs.gov/businesses/small-businesses-self-employed/how-long-should-i-keep-records>.

Following are some general guidelines to help you determine what to keep as it relates to your accounting records. This is not intended to represent legal advice.

RECORDS & DOCUMENTATION	YEARS ^{*(1)}	RECORDS & DOCUMENTATION	YEARS ^{*(1)}
Accounts Payable (reports/ledgers)	7	Corporate Documents	P
Vendor Bills & Check Copies	7	Fixed Asset Records & Receipts	P
Accounts Receivable (reports, ledgers)	7	Bill of Sale	P
Customer Invoices, & Write-offs	7	Mortgages, Deeds/Titles	P
Financial Statements (annual)	P		
General Ledger	P	Income Tax Returns	P
Bank Deposit Slips	3	Payroll Tax Returns	P
Bank Statements & Reconciliations	7	Sales Tax Returns	P
Canceled Checks	10	Depreciation Schedules	P
Check Register	P	Tax Correspondence	P
Cash Disbursement & Receipt Record	P		
Cash Sales Slips	7	Time Reports	5
Charge Slips	7	Employment Applications & Records	5
Chart of Accounts	P	Withholding Tax Statements	5
Inventory Reports	7	Retirement Account Records	10
Petty Cash Records	7		
Inventory Reports	7		
Mileage Logs			

*P=PERMANENT

(1) Retain for number of years that follows the tax year or last date of filing, whichever is longer