

Document Retention Requirements

The age old question: "How long do I keep these records?" Some of us have records that go back to our first day as a tax payer or our first year in business. We have put together a recommended retention schedule for personal and business documents. Remember that this includes paper records, as well as, computer files.

As a good business practice, it is important to back up your server on an offsite "Cloud" computer drive or back-up to a Tape that is kept off-site from the server location.

Personal Documents to Keep at Home

Documents	When to toss them
Bank deposit slips	After you reconcile your statements
Banking statements	After a calendar year; store with tax returns if they will be used to prove deductions
Brokerage, 401(k), IRA, Keogh, and other investment statements	Shred monthly and quarterly statements as new ones arrive; hold on to annual statements until you sell the investments
Credit-card bills	After you check and pay them, unless you need them to support tax filings
Employer defined-benefit plan communications	Never
Household warranties and receipts	After you no longer own the household items
Insurance policies	After you renew them
Investment purchase confirmations and 1099s	Hold until you sell the securities, then keep with your tax records for an additional seven years
Pay stubs	After you reconcile them with your W-2
Receipts	After you reconcile them with your credit-card or bank statement unless needed for a warranty
Savings bonds	Cash them in when they mature
Social Security statements	When you get a new statement, then shred the old one
Tax returns and supporting documents	After seven years
Utility Statements	After a calendar year; store with tax returns if they will be used to prove home office or other deductions

Personal Documents to Keep in a Safe or Safety Deposit Box

Documents	When to toss them
Birth and death certificates	Never
Estate-planning documents	Never
Life-insurance policies	Never, or when a term policy has ended
Loan documents	After you sell your home, automobile, boat, or whatever the loan was for

Marriage licenses and divorce decrees	Never
Military discharge papers	Never
Social Security cards	Never

Business Documents to Keep

Documents	Suggested Retention period
Accounts Payable, Accounts Receivable	7 Years
Audit Reports	Permanent
Articles of Incorporation, By Laws, Business Licenses, Board Minutes	Permanent
Bank Statements, Reconciliations, Canceled Checks, Electronic Payment Records	7 Years
Benefit Plans	Permanent
Chart of Accounts	Permanent
Computer Operating System and File Storage Back-Ups	Monthly (1 year), Annual (Permanent)
Contracts	Life + 4 Years
Depreciation Schedules	Permanent
Employee Files (ex-employees)	7 Years
Employment Taxes	3 Years
Expense Reports	7 Years
Fixed Asset Purchases	Permanent
Insurance Policies	Permanent
Inventory Records	Permanent
Leases/Leasehold Improvements	Permanent
Loan payment Schedules	7 Years
Payroll Records	7 Years
Profit Sharing/Pension/401K	7 Years (Detail) Permanent (Plan Documents)
Purchase orders	7 Years
Shareholder Records, Stock Registers, Stock Transactions	Permanent
Sales Records	7 Years
Tax Returns	7 Years