

HOW LONG YOU NEED TO HANG ON TO...

Maintaining company records is a pain. Nobody ever seems to know who should keep what, where and for how long. The following checklist, compiled by the American Institute of Certified Public Accountants, should help answer most basic record retention questions. State statutes on tax and payroll records vary widely, so you should check with either your local McGladrey & Pullen office or your state tax commissioner for specific details.

Accident reports/claims (settled cases)	7 years	Magnetic tape and tab cards	1 year
Accounts payable ledgers and schedules	7 years	Minute books of directors, stockholders, bylaws and charter	Permanently
Accounts receivable ledgers and schedules	7 years	Notes receivable ledgers and schedules	7 years
Audit reports	Permanently	Option records (expired)	7 years
Bank reconciliations	2 years	Patents and related papers	Permanently
Bank statements	3 years	Payroll records and summaries	7 years
Capital stock and bond records: ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etc.	Permanently	Personnel files (terminated)	7 years
Cash books	Permanently	Petty Cash vouchers	3 years
Charts of accounts	Permanently	Physical inventory tags	7 years
Checks (canceled - see exception below)	7 years	Plant cost ledgers	7 years
Checks (canceled for important payments, i.e., taxes, purchases of property, special contracts, etc. Checks should be filed with the papers pertaining to the underlying transactions)	Permanently	Property appraisals by outside appraisers	Permanently
Contracts, mortgages, notes and leases (expired (unexpired))	7 years Permanently	Property records, including costs, depreciation reserves, year-end trial balances, depreciation schedules, blueprints and plans	Permanently
Correspondence (general)	2 years	Purchase orders (except purchasing department copy)	1 year
Correspondence (legal and important matters only)	Permanently	Purchase orders (purchasing department copy)	7 years
Correspondence (routine) with customers and/or vendors	2 years	Receiving sheets	1 year
Deeds, mortgages and bills of sale	Permanently	Retirement and pension records	Permanently
Depreciation schedules	Permanently	Requisitions	1 year
Duplicate deposit slips	2 years	Sales commission reports	3 years
Employment applications	3 years	Sales records	7 years
Expense analyses/expense distribution schedules	7 years	Scrap and salvage records (inventories, sales, etc.)	7 years
Financial statements (year-end, other optional)	Permanently	Stenographers' notebooks	1 year
Gamishments	7 years	Stock and bond certificates (canceled)	7 years
General private ledgers, year-end trial balance	Permanently	Stockroom withdrawal forms	1 year
Insurance policies (expired)	3 years	Subsidiary ledgers	7 years
Insurance records, current accident reports, claims, policies, etc.	Permanently	Tax returns and worksheets, revenue agents' reports and other documents relating to determination of income tax liability	Permanently
Internal audit reports (longer retention periods may be desirable)	3 years	Time book cards	7 years
Internal reports (miscellaneous)	3 years	Trademark registrations and copyrights	Permanently
Inventories of products, materials and supplies	7 years	Training manuals	Permanently
Invoices (to customers, from vendors)	7 years	Union agreements	Permanently
Journals	Permanently	Voucher register and schedules	7 years
		Vouchers for payments to vendors, employees, etc. (includes allowances and reimbursement of employees, officers, etc., for travel and entertainment expenses)	7 years
		Withholding tax statements	7 years