# DOCUMENT + RECORD RETENTION SCHEDULE

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Keeping tax documents and records can help you avoid headaches in the long run. As a general rule, the IRS recommends keeping records that support any item of any income, deduction, or credit until the period of limitations for that year's tax return runs out. The period of limitations is the period of time in which you can amend your tax return to claim a credit or refund, or in which the IRS can assess additional tax.

Retention requirements can vary, and a KraftCPAs advisor can provide guidance on specific business or individual situations. The most common documents and their typical retention periods include:

## ONE YEAR

- Bank reconciliations
- General correspondence with customers or vendors
- Purchase orders (except copy kept by purchasing department)
- Receiving sheets
- Requisitions
- Stenographer's notebooks
- Stockroom withdrawal forms

## THREE YEARS

- Deposit slips
- Employment applications
- Insurance policies (expired)
- Internal audit reports
- Internal reports (miscellaneous)
- Monthly trial balances
- Petty cash vouchers
- Savings bond registration records of employees

## SEVEN YEARS

- Accident reports and claims from settled cases
- Accounts payable ledgers and schedules
- Accounts receiveable ledgers and schedules
- Bank statements
- Cancelled checks (but indefinitely retain cancelled checks for major transactions)
- Contracts and leases (expired)
- Employee personnel records (after termination)
- Expenses analyses and expense distribution schedules
- Inventories of products, materials, and supplies
- Invoices to customers
- Invoices from vendors
- Notes receivable ledgers and schedules
- Option records (expired)
- Payroll records and summaries, including payments to pensioners
- Physical inventory tags
- Plant cost ledgers
- Purchase orders
- Sales records
- Scrap and salvage records (inventories, sales, etc.)
- Subsidiary ledgers
- Time books
- Vouchers register and schedules
- Vouchers for payments to vendors or employees
- W-2 forms

## INDEFINITELY

- Audit reports
- Capital stock and bond records (ledgers, transfer registers, record of interest, options, etc.)
- Cash books
- Charts of accounts
- Cancelled checks for major transactions (i.e., property, taxes, contracts)
- Active contracts and leases
- Correspondence for legal and major financial matters
- Deeds, mortgages, bills of sale
- Depreciation schedules
- Financial statements
- General and private ledgers (including end-of-year trial balances)
- Insurance records, accident reports, claims, active policies
- Journals
- Minute books for directors and stockholders, including by-laws and charters
- Property appraisals
- Property records
- Stock and bond certificates (cancelled)
- Tax returns, worksheets, revenue reports, and any documents that can be used to determine tax liability
- Trademark registrations