

# Record Retention

A Recommended Approach  
Courtesy of WebsterRogers LLP

<u>Type of Record</u>	<u>Retention Period</u>
Accident reports and claims	7 years
Accounts-payable ledgers and schedules	7 years
Accounts-receivable ledgers and schedules	7 years
Audit reports of accounts	Permanently
Bank reconciliations	1 year
Capital stock and bond records; ledgers, transfer registers, stubs showing issues, records-of-interest coupons, options, etc.	Permanently
Cash books	Permanently
Charts of accounts	Permanently
Checks (canceled, but see exception below)	7 years
Checks (canceled for important payments - i.e., taxes, purchases of property, special contracts, etc.; they should be filed with the papers pertaining to the underlying transaction)	Permanently
Contracts and leases (expired)	7 years
Contracts and leases still in effect	Permanently
Correspondence (routine) with customers or vendors	1 year
Correspondence (legal and important matters only)	Permanently
Deeds, mortgages, and bills of sale	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	1 year
Employee personnel records (after termination) [substantially longer periods apply to employers who produce/handle hazardous materials]	4 years

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Employee benefit plan records	7 years
Employment applications	3 years
Expenses analysis and expense-distribution schedules	3 years
Financial statements (end-of-year, other months optional)	Permanently
General and private ledgers (end-of-year trial balances)	Permanently
Inherited property valuations	Permanently
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports (in some situations, longer retention periods may be desirable)	3 years
Internal reports (miscellaneous)	3 years
Inventories of products, material, and supplies	7 years
Invoices to customers	7 years
Invoices to vendors	7 years
Journals	Permanently
Low-income housing records	7 years
Minute books of directories and stockholders, including by-laws and charter	Permanently
Notes-receivable ledger and schedules	7 years
Option records (expired)	7 years
Payroll records and summaries, including payments to pensioners	7 years
Petty-cash vouchers	3 years
Physical inventory tags	3 years
Plant-cost ledgers	7 years

<b>Type of Record</b>	<b>Retention Period</b>
Property appraisals by outside appraisers	Permanently
Property records (including costs, depreciation reserves, end-of-year trial balances, depreciation schedules, blueprints, and plans)	Permanently
Purchase orders (except purchasing department copy)	1 year
Purchase orders (purchasing department copy)	7 years
Receiving sheets	1 year
Requisitions	1 year
Sales records	7 years
Savings-bond registration records of employees	3 years
Scrap and salvage records (inventories, sales, etc.)	7 years
Stock and bond certificates (canceled)	7 years
Stockroom withdrawal forms	1 year
Subsidiary ledgers	7 years
Tax returns and worksheet, revenue agent's reports, and other documents relating to determination of income-tax liability	Permanently
Time books	7 years
Trademark registrations	Permanently
Voucher register and schedule	7 years
Vouchers for payments to vendors, employees, etc. (includes allowances and reimbursement of employees, officers, etc. for travel and entertainment expenses)	7 years

Business documents create an important history of your transactions with customers, vendors, and creditors. These records should be available to you to resolve questions, should they arise in the future. Your company's records should be easily accessible, retrievable, and readily purged, according to the above *recommended* timetable. This is even more important now that most records are kept on computer systems.

To learn more about how we can help organize your business, please call our offices at 843-665-5900. You can also visit our Web site and use one of the many contact pages to send us e-mail.