

Record Retention Schedule

EWB Small Business Accounting returns all records to the client and keeps only copies of your tax returns, as required by law, on file. You must retain your copies of all documents for a certain period of time. We provide the record retention guide for you to reference on the records to keep and for what period of time.

Record Retention Guide for Individuals

How long to keep records is a combination of judgment and state and federal statutes of limitations. Since federal tax returns can generally be audited for up to three years after filing and up to six years if the IRS suspects underreported income, it's wise to keep tax records at least seven years after a return is filed. Requirements for records kept electronically are the same as for paper records.

Generally, follow these recommended retention periods for various documents:

Record	Retention Period
Tax returns	Permanent
W-2s	7 years
1099s	7 years
Cancelled checks	7 years
Bank deposit slips	7 years
Bank statements	7 years
Charitable contribution documentation	7 years
Credit card statements	7 years
Receipts, diaries, logs pertaining to tax return	7 years
Investment purchase/sales slips	Ownership period + 7 years
Dividend reinvestment records	Ownership period + 7 years
Year-end brokerage statements	Ownership period + 7 years
Mutual fund annual statements	Ownership period + 7 years
Investment property purchase documents	Ownership period + 7 years
Home purchase documents	Ownership period + 7 years
Home improvement receipts and cancelled checks	Ownership period + 7 years
Home repair receipts and cancelled checks	Warranty period for item
Retirement plan annual reports	Permanent
IRA annual reports	Permanent
IRA nondeductible contributions (Form	Permanent

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Insurance policies

Life of policy + 3 years
(Check with your agent. Liability for prior years can vary.)

Divorce documents

Permanent

Loans

Term of loan + 7 years

Estate planning documents

Permanent

Record Retention Guide for Businesses

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In business, good recordkeeping is essential not only for tax reporting purposes but also for the success of the company. The guidelines below give retention periods for the most common business records. Call us if you'd like more information or assistance with your record retention program.

Accounting Records	Retention Period
Accounts payable	7 years
Accounts receivable	7 years
Audit reports	Permanent
Chart of accounts	Permanent
Depreciation schedules	Permanent
Expense records	7 years
Financial statements (annual)	Permanent
Fixed asset purchases	Permanent
General ledger	Permanent
Inventory records	7 years (Permanent for LIFO system)
Loan payment schedules	7 years
Purchase orders (1 copy)	7 years
Sales records	7 years
Tax returns	Permanent

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Bank Records	Retention Period
Bank reconciliations	2 years
Bank statements	7 years
Cancelled checks	7 years (Permanent for real estate purchases)
Electronic payment records	7 years

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Corporate Records	Retention Period
Board minutes	Permanent
Bylaws	Permanent
Business licenses	Permanent

Contracts – major	Permanent
Contracts – minor	Life + 4 years
Insurance policies	Life + 3 years (Check with your agent. Liability for prior years can vary.)
Leases/mortgages	Permanent
Patents/trademarks	Permanent
Shareholder records	Permanent
Stock registers	Permanent
Stock transactions	Permanent

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Employee Records	Retention Period
Benefit plans	Permanent
Employee files (ex-employees)	7 years (Or statute of limitations for employee lawsuits)
Employment applications	3 years
Employment taxes	7 years
Payroll records	7 years
Pension/profit sharing plans	Permanent

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Real Property Records	Retention Period
Construction records	Permanent
Leasehold improvements	Permanent
Lease payment records	Life + 4 years
Real estate purchases	Permanent