
RECORDS RETENTION GUIDE

Knowing what to keep or shred can be confusing and daunting.

This guide was created to help.

The suggested retention periods shown are not offered as final authority, but only as a guide. Generally, you must keep your records that support an item of income, deduction or credit shown on your tax return until the period of limitations for that tax return runs out.

Being financially empowered begins with smart records and safe recordkeeping.

BUSINESS RECORD RETENTION GUIDE

BUSINESS DOCUMENTS	Years of retention
Contracts	6*
Correspondence, general	6*
Deeds	Permanent
Business Licenses	6
Mortgages and note agreements	6
Patents	Permanent
Production (correspondence)	8

FINANCIAL DOCUMENTS	Years of retention
Auditors' reports	Permanent
Bank deposit slips, reconciliations, statements and cancelled checks	4
Bills of lading	4
Budgets	2
Contracts - purchase and sales	4*
Credit memos	4
Depreciation records	4*
Employee payroll records (W2, W-4, annual earnings records, etc.)	6*
Financial statements - annual	Permanent
Financial statements - interim	4
Freight bills	4
Internal reports (work orders, sales reports, production reports)	4
Inventory lists	4
Invoices - sales and cash register receipts, merchandise purchases	4
Invoices - purchases (permanent assets)	4*
General ledger	Permanent
General, cash receipts, cash disbursement, and purchase journals	Permanent
Payroll journal	4
Subsidiary ledgers (accounts receivable, accounts payable, etc.)	6
Time cards	4
Worthless securities	7

INSURANCE DOCUMENTS	Years of retention
Accident reports	6
Claims - after settlement	10
Fire inspection reports	6
Group disability reports	8
Policies - all types - expired	4
Insurance policies after termination	6*
Safety reports	8
Settled insurance claims	4*

PERSONNEL	Years of retention
Attendance records	7
COBRA records	4
Dental benefits	5
Daily time reports	6
Disability and sick benefit records	6
Employment applications - not hired	3
Employee benefit plans	2*
Employee medical history	7
Medical benefits	7
OSHA logs	6
Performance record - after termination	7
Personnel files - terminated	7*
Withholding tax statements	6

PURCHASING AND SALES	Years of retention
Purchase orders	7
Requisitions	3
Sales contracts	3
Sales invoices	3

TAX DOCUMENTS	Years of retention
Payroll tax returns	4
Pension /profit-sharing informational returns	Permanent
Sales and use tax returns	6
Tax returns and cancelled checks (federal, state and local)	Permanent

TRAFFIC - SHIPPING AND RECEIVING	Years of retention
Export declarations	4
Freight bills	4
Manifests	4
Shipping and receiving reports	4
Waybills and bills of lading	4

*** Retention periods begin after the termination, expiration, disposal, etc., of the item.**

PERSONAL RECORDS RETENTION GUIDE

FINANCIAL DOCUMENTS	Description	Years of retention	Shred
ATM printouts	Keep ATM receipts until you have compared them with your bank statement.	1 month	Yes
Bank Statements	Some people keep every canceled check and others toss most of them. Certainly, you should keep canceled checks that support any tax deductions and any that you think may come in handy. Otherwise, canceled checks can take up a lot of space.	4	Yes
Cancelled checks	Bank statements are a bit different. You may want to keep them for some period (three years or so) so you can document your payments for important items.	4	Yes
Canceled Checks - Tax Payments		Permanent	
Certificates of Deposit Statements		4	Yes
Credit card receipts and Statements	Keep receipts until you have compared them to your credit card statement. However, if the receipt is for something that you may want to return, keep it longer.	4	Yes
Home financial information	Deeds, mortgages and information on home improvements, cancelled checks for purchase of major improvements and maintenance should be kept for as long as you own the home plus the three year period for tax purposes.	4 years after sold	Yes
Major Purchase Receipts	Vehicles, appliances, furniture, etc	Keep while active	Yes
Medical Bills		4	Yes
Paycheck stubs	These documents can include very important information including Social Security number and financial institution account numbers if you use direct deposit. You may need to have the last three month's stubs if you are planning to apply for a loan. Otherwise, you should only keep the latest stub.	3 months	
Utility bills and other household receipts	Unless you are claiming household expenses as tax deductions, there is no need to keep these types of records very long. You can always use a canceled check to document payment.	1	Yes
Warranties	Keep warranties for as long as you own the item or until the warranty period expires.	Keep while active	Toss

INSURANCE DOCUMENTS	Description	Years of retention	Shred
Insurance Policies - Life	Insurance policies and claims information should be kept for as long as the policy remains in effect plus four years. Life insurance policies are kept permanent.	Permanent	
Insurance Policies - Other		4	Yes
Settled Insurance Claims		4	Yes

TAX RETURNS AND SUPPORTING DOCUMENTS	Description	Years of retention	Shred
Annuity Year End Statements		7 years following termination, disposition or payoff	
Contributions - Less than \$250	Substantiation - In writing by receipt, cancelled check or by pay stub for P/R deduction	4	Yes
Contributions - More than \$250	As above, plus contemporaneous written acknowledgment of cash amount or description of goods donated, and statement of goods or services received in exchange. Manner of acquisition and cost basis.	4	Yes
Contributions - More than \$5,000	As above, and needs written appraisal.	4	Yes
Investment records, statements and 1099s	Investment records must be kept to support your tax returns. Documentation of purchases and sales (either confirmations or brokerage statements including the information) must be kept for three years past when you report the sale on your tax return.	4	Yes
Forms 1099 Received		4	Yes
Loan Records / Forms 1098		4	Yes
Property tax bills		4	Yes
Quarterly investment statements		1	Yes
Retirement/ Savings Plan	Hold onto all IRA records until you make a complete withdrawal/distribution. Including Roth contributions - until you withdraw all of the money from the account.	Permanent	
Tax returns	There is a general three year federal statute of limitation for your taxes (California is four years). This means the IRS has three years from when you file your return to start an audit. (There is no limit for fraudulent returns). Therefore, you need to keep documents that support items on your tax returns for those three years.	4	Yes

ELECTRONIC DATA	Description	Years of retention	Shred
Floppy disks, CD, external hard drives, PDA, cell phones, personal computers, laptops, iPod, iPads.	Floppy diskettes and CDs should be shredded, destroyed or made unusable in some manner. Computer hard drives deserve special attention. Hard drives may have information on finances, taxes, user names, passwords and other information that should not fall into the hands of fraudsters. Deleting files and formatting a hard drive does not permanently remove the files from the system. Before disposing, recycling or donating a PC, the hard drive should be removed and physically destroyed. Take a drill or hammer to destroy. Reset cell phones and iPads to remove personal data and factory defaults.		Use a certified electronic destruction company.

HISTORICAL DOCUMENTS	Description	Years of retention	Shred
Adoption records		Permanent	
Alimony, Custody or Prenuptial Agreements		Permanent	
Birth Certificates		Permanent	
Business agreements		Permanent	
Citizenship papers		Permanent	
Detailed List of Financial Assets Held		Permanent	
Divorce or child care orders		Permanent	
Education records		Permanent	
Marriage Documents		Permanent	
Medical Records		Permanent	
Military service records	DD-214 is required for any military benefits throughout a lifetime.	Permanent	
Passports		Permanent	
Photos or Videotape of Valuables		Permanent	
Powers of Attorney		Permanent	
Trust documents		Permanent	
Wills		Permanent	