

MEMORANDUM

To: Tax Article Readers
From: Dunbar, Breitweiser & Company, LLP
Subject: Retention Schedule
Date: January 3, 2012

When it comes to company records and files, people often wonder what to keep and what to toss. It is always wise to consult an attorney since statutes of limitations and state and governmental agency requirements vary from state to state. However, we have included the following retention schedule in hopes of answering some frequently asked questions. *Please remember to use this schedule only as a guideline.*

Firm Records Retention Schedule

Description	Retention Period in Years*
ACCOUNTING RECORDS	
General ledger	Permanent
Accounts receivable	10 (3 in office; 7 in storage)
Accounts payable	10 (3 in office; 7 in storage)
Clients' invoices	7
Payroll records (journals, ledgers, W-2s, etc.)	Permanent
Data transmittal (in central processing system)	7
Expense reports	7
Time reports	7
Other charges to clients' voucher	7
Bill draft	7
Voucher check copies	7
Canceled checks, bank statements, and deposit slips	10 (3 in office; 7 in storage)
Journal voucher	Permanent
Interoffice client charges	7
Client coding form-masters	1 + current
Payroll data and authorization	7
Correspondence	1 + current
Cash receipts and disbursements journals	Permanent
Billed accounts receivable aged trial balance	7
Client unbilled receivables ledger	7
Unbilled accounts receivable status	7
Employee time analysis	7
Analysis of billing adjustments	7
Client charges and billing report	7
Analysis of gross and net fees by service classification	7
Depreciation schedules	Permanent

ADMINISTRATIVE RECORDS

Accident reports and claims	6 (after accident/settlement)
Partnership or corporate records, including local, state, and federal licenses; annual reports; capital stock and bond ledger, canceled stock and bond certificates; articles of incorporation; bylaws; and minutes from partner meetings or stockholder and director meetings	Permanent
Legal correspondence, including those pertaining to copyrights, permits, and bills of sale	Permanent
Equipment records	5 (after disposition)
Warranties and service agreements	1 (after expiration)
User's manuals	(until disposition)
Insurance documents, including policies reports, claims, and coverage information	3-10 (after expiration or settlement)
Leases and contracts	10 (after termination)
Property records, including blueprints, appraisals, and permits	Permanent
Dividend checks	7
Correspondence, including license, traffic and purchase, and production	7

ANNUAL FINANCIAL REPORTS

Firm tax returns, annual statements, and work papers - operating offices and consolidated	Permanent
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MONTHLY OR PERIODIC FINANCIAL REPORTS

Monthly statements - operating offices	7
Interim statements - consolidated	7
Other periodic financial reports	3

SUPPLEMENTAL ACCOUNTING DATA

Daily cash reports, remittance advices, and bank deposit slips	7
Vendors' invoices and petty cash slips	7
Purchases and sales, including purchase orders, requisitions, sales contracts, and sales invoices	3
Receiving and shipping, including export, freight bills, manifests, shipping and receiving reports, waybills and bills of lading	3

CURRENT LEGAL DOCUMENTS

Partnership agreements or corporate documents	Permanent
Special contracts	Permanent
Capital stock and bond records	Permanent
Checks (taxes, property)	Permanent
Copyrights and trademark registrations	Permanent
Deeds and easements	Permanent
IRS audit reports	Permanent
Labor contracts	Permanent
Patents	Permanent
Proxies	Permanent
Retirement and pension records	Permanent

NON-CURRENT LEGAL DOCUMENTS

Partnership agreements or corporate documents- superseded	Permanent
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PERSONNEL: POST-EMPLOYMENT

Counseling records	7 (after termination)
Disability benefits	6 (after expiration settlement)
Discrimination charges	3-4 (after settlement)
Education, training, and CPE records	7 (after termination)
Employee contracts	7 (after termination)
Employee medical history	6 (after termination)
INS I-9 forms. Complies with Immigration Reform & Control Act	3 from date of filing or 1 year after termination, whichever is longer
Performance reviews	7 (after termination)
Personnel data, applications, and contracts - present employees	Permanent
Personnel data, applications, and contracts - former employees	7 (after termination)
Salary rates and changes	3 (after termination)

PERSONNEL: PRE-EMPLOYMENT

Position applications, resumes, tests, or other job advertisements and replies relating to employees	7 (after termination)
Position applications, resumes or other job advertisements, and replies relating to non-employees	1 (after completion)
Promotion, demotion, layoffs, or discharge of an employee	7 (after completion)

MISCELLANEOUS

Firm meetings files (annual and special meetings)	7
Attendance records	7 (after termination)
New business reports	7
Interoffice correspondence	7
Bulletins to clients, firm executives, and staff	7
Firm publications, including promotional and recruiting brochures, personnel guide, and client newsletter	7

* Ordinarily, canceled checks and paid vendors' invoices are destroyed after seven years. However, checks and invoices for purchase of assets, where the determination of basis might be important in the future, are retained indefinitely.

(Source: AICPA Management of an Accounting Practice)