

HOW LONG?

Just how long you should keep records is partly a matter of judgment and a combination of state and federal statutes of limitations.

Federal returns can be audited for up to three years after filing (six years if under reported income is involved), so all records substantiating tax deductions should be kept at least that long.

Here are recommended retention periods for various records:

Recommended Retention Periods

<i>Auto usage logs</i>	<i>7 years</i>
<i>Bank deposit slips</i>	<i>7 years</i>
<i>Bank statements</i>	<i>7 years</i>
<i>Canceled checks</i>	<i>7 years</i>
<i>Contracts</i>	<i>Permanent</i>
<i>Corporate stock records</i>	<i>Permanent</i>
<i>Depreciation schedules</i>	<i>Life of business plus 7 years</i>
<i>Employee records</i>	<i>Period of employment plus 7 years</i>
<i>Employment tax returns</i>	<i>7 years</i>
<i>Entertainment records</i>	<i>7 years</i>
<i>Expense reports</i>	<i>7 years</i>
<i>Financial statements</i>	<i>Permanent</i>
<i>Home improvement</i>	<i>Ownership period plus records 7 years</i>
<i>Inventory records</i>	<i>7 years</i>
<i>Investment records</i>	<i>Ownership period plus 7 years</i>
<i>Journal & general ledger</i>	<i>Life of business plus 7 years</i>
<i>Minutes of meetings</i>	<i>Life of business plus 7 years</i>
<i>Paid bills & invoices</i>	<i>7 years</i>
<i>Real estate records</i>	<i>Permanent</i>
<i>Tax returns</i>	<i>Permanent</i>

Make a list of your records and documents and then establish a written schedule for disposing of those you need not keep permanently. If you have any questions about any records or record keeping requirements, contact our office.

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RECORD KEEPING

What to keep...
How long to keep it...

