



RECORD RETENTION SCHEDULES FOR BUSINESSES

How to Prove Certain Business Expenses

Must keep records that show details on the following:				
If you have expenses for:	Amount	Time	Place or description	Business Purpose and Business Relationship
Travel	Cost of each separate expense for travel, lodging and meals. Incidental expenses may be totaled in reasonable categories.	Dates you left and returned for each trip and number of days spent on business	Destination or area of you travel (name of city, town, or other designation).	Purpose: Business purpose for the expense of the business benefit gained or expected to be gained. Relationship: N/A
Entertainment	Cost of each separate expense. Incidental expense such as taxis, telephones, etc., may be totaled on a daily basis.	Date of entertainment	Name and address of location. Type of entertainment if not otherwise apparent.	Purpose: Business purpose for the expense of the business benefit gained or expected to be gained. For entertainment, the nature of the business discussion or activity. If the entertainment was directly before or after a business discussion: the date, place, nature, and duration of the business discussion and the identities of the persons who took part in both the business discussion and the entertainment activity. Relationship: Occupations or other information (such as names, titles, or other designations) about the recipients that shows their business relationship to you. For entertainment, you must also prove that you or your employee was present if the entertainment was a business meal.
Gifts	Cost of Gift Fair Market value as of date of Gift.	Date of Gift	Description of Gift	
Transportation	Cost of each separate expense. For car expense, the cost of the car and any improvement, the date you started using it for business, the mileage for each business use and the total miles for the year.	Date of expense. For care expense, the date of the use of the car.	Your business destination.	Purpose: Business purpose for the expense. Relationship: N/A



Schedules

ACCOUNTING SYSTEMS	SUGGESTED RETENTION PERIOD
Accounts Payable Ledger	7 years
Accounts Receivable Aging Reports	7 years
Accounts Receivable Ledger	7 years
Accounts Receivable Invoices	7 years
Accounts Written-off	7 years
Authorization - Accounting	5 years
Balance Sheets	Permanent
Bank Reconciliations	7 years
Bank Statements	7 years
Bank Deposit Slips	3 years
Budgets	3 years
Canceled Checks	10 years
Cancelled Dividend Checks	Permanent
Cash Book	Permanent
Cash Disbursement & Receipt Record	Permanent
Cash Sales Slips	7 years
Charge Slips	7 years
Chart of Accounts	Permanent
Check Register	Permanent
Expense Reports	7 years
Financial Statements	Permanent
General Ledger	Permanent
Investment – Sales/Purchases	Permanent
Journal Entries	Permanent
Petty Cash Records	7 years
Profit & Loss Statements	Permanent
Purchase Order	7 years
Subsidiary Ledger	Permanent
Trial Balance	Permanent
Vendor Invoices	7 years
Voucher Check Copies	7 years



CORPORATE RECORDS	SUGGESTED RETENTION PERIOD
Amendments	Permanent
Annual Reports	Permanent
Articles of Incorporation	Permanent
Audit Reports – Public	Permanent
Audit – Internal	6 years
Board of Directors – Committee	Permanent
Board of Directors – Minute Book	Permanent
Bylaws	Permanent
Capital Stock Certificates	Permanent
Capital Stock Ledger	Permanent
Capital Stock Transactions	Permanent
Charter	Permanent
Contracts – After Termination	Permanent
Contributions	7 years
Correspondence – Accounting	5 years
Correspondence – General	Permanent
Dividend Register and Cancelled Dividend Checks	Permanent
Election Records	Permanent
Financial Statements	Permanent
Organizational Charts	Permanent
Partnership Agreement	Permanent
Stock Transfer Records	Permanent
Stockholders – Minute Book	Permanent

FIXED ASSETS	SUGGESTED RETENTION PERIOD
Depreciation Schedule	Permanent
Inventory Records	Permanent
Plans & Blueprints	Permanent
Plant Cost Ledger	Permanent
Property Appraisals	Permanent
Property Register	Permanent
Records for Property Subject to Depletion	Permanent



HUMAN RESOURCES	SUGGESTED RETENTION PERIOD
Accident reports – Settled	7 years
Attendance Records	7 years
Dental Benefits	5 years
Disability Benefits – After Expiration/Settlement	7 years
Employee Medical History	7 years
Employment Application – Not Hired	3 years
Forms: W-4, W-8BEN, W-9 & 1095 forms issued	7 years
Garnishments	5 years
Life Insurance Benefits	5 years
Medical Benefits	7 years
Pension Plan Agreement	Permanent
Performance Records – After Termination	7 years
Personnel File – After Termination	7 years
Personal Files – Current Employees	Permanent
Profit Sharing Agreement	Permanent
Safety Reports	5 years
Vacation Files	4 years
Workers’ Compensation Benefits	10 years
Sick Pay	4 years
Family & Medical Leave	3 years

INSURANCE	SUGGESTED RETENTION PERIOD
Automobile Insurance Claims	10 years
Disability Insurance Claims – After Termination	7 years
Expired Insurance Policies	10 years
Fire Inspection Reports	6 years
Insurance Appraisals	6 years
Safety Records	6 years
Foreign Insurance Policies	3 years



LEGAL	SUGGESTED RETENTION PERIOD
Bill of Sale	Permanent
Business Permits	Permanent
Claims and Litigation Concerning Torts and Breach of Contract	Permanent
Contracts	Permanent
Contracts – Employees	Permanent
Contracts – Government	Permanent
Contracts – Labor Union	Permanent
Contracts – Special	Permanent
Copyrights	Permanent
Correspondence – Legal	Permanent
Deeds/Titles	Permanent
Leases/Canceled	10 years
Licenses	Permanent
Mortgages	Permanent
Notes Receivable – Canceled	10 years
Patents	Permanent
Stock and Bond Record	Permanent
Trademarks – Registered	Permanent

PAYROLL	SUGGESTED RETENTION PERIOD
Contractors	3 years from date of completion of contract
Checks – Payroll	7 years
Commission Reports – Salesperson	6 years
Employee Withholding Exemption Certificates	10 years
Payroll Register	4 years
Payroll Records – After Termination	10 years
Salary History	8 years
Time Reports	7 years
W-2 Forms	Permanent
Vacation/Sick Pay	4 years
Large Food or Beverage Establishment Reporting Tips	3 years
Employee Tip Substantiation	3 years ***



SECURITY	SUGGESTED RETENTION PERIOD
Classified Material Violations	Permanent
Visitor Clearance	2 Years

TAXATION	SUGGESTED RETENTION PERIOD
Tax Free Reorganization	Permanent
338 Election	7 years
Canceled Checks – Tax Payments	Permanent
Correspondence – Tax	Permanent
Depreciation Schedules	Permanent
Income Tax Returns	Permanent
Inventory Reports	Permanent
FUTA/FICA/ Income Tax Withholdings	4 years
Payroll Tax Returns	Permanent
Revenue Agent Reports	Permanent
Sales Tax Returns	Permanent
NOL Company	**
AMT NOL Company	**
Transfer Pricing	4 years

MISCELLANEOUS	SUGGESTED RETENTION PERIOD
Receiving Documents	10 years
Title Papers	Permanent
Vehicle Operation and Maintenance	2 years
Telecommunication Copies	1 year
Prepaid Dues Income	4 years
Financial Institution Loan Loss Reserves	Permanent
Mutual Savings Bank bad Debt Reserve	Permanent

* 7 years following disposition, termination or payoff.

** Maintain permanent records of all the facts necessary for the first taxable year and each succeeding year in which there is a NOL or NOL Carryover. This includes records necessary to determine the identity of 5% shareholders, the percentage of it stock owned be each 5% shareholder and whether IRC Section 382 is applicable.

*** As long as the contents thereof may become material in the administration of any Internal Revenue Law.