

The Record Retention Guide



Prepared by . . .

The Massachusetts Society of Certified Public Accountants, Inc.
Federal Taxation Committee



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The Record Retention Guide

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The Record Retention Guide

INTRODUCTION

Members of the public accounting profession use information as the source of business. Whether it be for an audited financial report, a compilation, a review, or a tax return, they must gather, summarize and analyze facts and figures to support reports, tax returns and conclusions. After the report is issued and the tax return is filed, the next important question is just how long must these business records be retained.

This handbook offers some guidance. It provides a suggested time frame to maintain records. It has been assimilated from several sources, including the basic IRS Regulation - 26 CFR 1. 6001-1, The Guide of Record Retention Requirements in the Code of Federal Regulations, as well as by reviewing and analyzing numerous record retention schedules.

Before finalizing an entity's record retention procedures, it is recommended that the IRS regulations, state and local government retention requirements and the AICPA's Filing and Record Retention Procedures Guide be reviewed.

Please note: The suggested retention periods shown are not offered as final authority, but as guideposts against which to compare your needs. There may very well be situations, for historical or reference purposes, that necessitate longer periods than legally required.

Type of RecordSuggested Retention Period**ACCOUNTING SYSTEMS**

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

CORPORATE RECORDS

| | |
|----------------------------------|---|
| Amendments | P |
| Annual Reports | P |
| Articles of Incorporation | P |
| Audit Reports - Public | P |
| Audit - Internal | 6 |
| Board of Directors - Committee | P |
| Board of Directors - Minute Book | P |

P = Permanent records
Numeric = Suggested retention period in years

Type of RecordSuggested Retention Period*Corporate Records Continued*

| | |
|-------------------------------|---|
| Bylaws | P |
| Capital Stock Certificates | P |
| Capital Stock Ledger | P |
| Capital Stock Transactions | P |
| Charter | P |
| Contracts - After Termination | P |
| Contributions | 7 |
| Correspondence - Accounting | 5 |
| Correspondence - General | P |
| Dividend Register | P |
| Election Records | P |
| Financial Statements | P |
| Organizational Charts | P |
| Partnership Agreement | P |
| Stock Transfer Records | P |
| Stockholders - Minute Book | P |

FIXED ASSETS

| | |
|-----------------------|---|
| Depreciation Schedule | P |
| Inventory Records | P |
| Plans and Blueprints | P |
| Plant Cost Ledger | P |
| Property Appraisals | P |
| Property Register | P |

HUMAN RESOURCES

| | |
|---|---|
| Accident Reports - Settled | 7 |
| Attendance Records | 7 |
| Dental Benefits | 5 |
| Disability Benefits - After Expiration/Settlement | 6 |
| Employee Medical History | 7 |
| Employment Application - Not Hired | 3 |
| Garnishments | 5 |

P = Permanent records
Numeric = Suggested retention period in years

Type of Record

Suggested Retention Period

Human Resources Continued

| | |
|--|----|
| Life Insurance Benefits | 5 |
| Medical Benefits | 7 |
| Pension Plan Agreement | P |
| Performance Record - After Termination | 7 |
| Personnel File - After Termination | 7 |
| Personnel Files - Current Employees | P |
| Profit Sharing Agreement | P |
| Safety Reports | P |
| Vacation Files | 4 |
| Workers' Compensation Benefits | 10 |

INSURANCE

| | |
|---|----|
| Automobile Insurance Claims | 10 |
| Disability Insurance Claims - After Termination | 7 |
| Expired Insurance Policies | 10 |
| Fire Inspection Reports | 6 |
| Insurance Appraisals | P |
| Safety Records | 6 |

LEGAL

| | |
|---|----|
| Bill of Sale | P |
| Business Permits | P |
| Claims and Litigation Concerning Torts and Breach of Contract | P |
| Contracts - Employees | P |
| Contracts - Government | P |
| Contracts - Labor Union | P |
| Contracts - Special | P |
| Copyrights | P |
| Correspondence - Legal | P |
| Deeds/Titles | P |
| Leases/Canceled | 10 |
| Licenses | P |
| Mortgages | P |
| Notes Receivable - Canceled | 10 |
| Patents | P |
| Stock and Bond Record | P |
| Trademarks - Registered | P |

P = Permanent records
Numeric = Suggested retention period in years

Type of Record

Suggested Retention Period

PAYROLL

| | |
|---|----|
| Checks - Payroll | 7 |
| Commission Reports - Salesperson | 6 |
| Employee Withholding Exemption Certificates | 10 |
| Payroll Register | 7 |
| Payroll Records - After Termination | 10 |
| Salary History | 8 |
| Time Reports | 7 |
| W-2 Forms | P |

SECURITY

| | |
|--------------------------------|---|
| Classified Material Violations | P |
| Visitor Clearance | 2 |

TAXATION

| | |
|--------------------------------|---|
| Canceled Checks - Tax Payments | P |
| Correspondence - Tax | P |
| Depreciation Schedules | P |
| Income Tax Returns | P |
| Inventory Reports | P |
| Payroll Tax Returns | P |
| Revenue Agent Reports | P |
| Sales Tax Returns | P |

MISCELLANEOUS

| | |
|-----------------------------------|----|
| Receiving Documents | 10 |
| Title Papers | P |
| Vehicle Operating and Maintenance | 2 |
| Telecommunication Copies | 1 |

P = Permanent records
Numeric = Suggested retention period in years