

PKF PERSPECTIVES

BUSINESS RECORDS RETENTION GUIDE

Business records retention is required by various Federal and local laws, including the Internal Revenue Code, Employee Retirement Income Security Act and Uniform Commercial Code. The following business records retention guide considers those laws.

Records retention is further governed by the particular requirements of each individual business and any special regulatory agencies to which it is accountable.

Accordingly, this schedule should be used as a guide, modified as necessary to meet your specific needs. However, any contemplated deletions in the permanent or seven years categories should be discussed in advance with your CPA.

PERMANENT RECORDS

- Audit reports
- Cancelled checks and related documents for important payments, i.e., taxes, purchases of property, special contracts, etc. (checks should be filed with the papers pertaining to the underlying transaction)
- Capital stock and bond records: ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etc.
- Cash books
- Charts of Accounts
- Contracts, mortgages, notes and leases (still in effect)
- Correspondence (legal and important matters only)
- Deeds, mortgages, and bills of sales

- Depreciation schedules
- Financial statements – end of year (others optional)
- General and private ledgers, year-end trial balances
- Insurance records, current accident reports, claims, policies, etc.
- Minute books of directors and stockholders, including by-laws and charter
- Patents and related papers
- Property appraisals by outside appraisers
- Property records – including costs, depreciation reserves, end-of-year trial balances, depreciation schedules, blueprints and plans
- Retirement and pension records; retirement plan returns and reports (from filing date of such returns and reports); retirement plan accounting records (to correspond with returns and reports)
- Tax returns and worksheets, revenue agents' reports and other documents relating to determination of income tax liability
- Trademark registrations and copyrights
- Training manuals
- Union agreements

over ...

PKF

Certified Public Accountants
A Professional Corporation
29 Broadway • New York, NY 10006
Telephone: (212) 867-8000 • Telefax: (212) 687-4346
E-mail: info@pkfnyc.com • www.pkfnyc.com
Member of PKF International Limited

SEVEN YEARS

- Accident reports and claims (settled cases)
- Accounts payable, ledgers and schedules (see voucher register)
- Accounts receivable ledgers, schedules and trial balances
- Bank statements
- Cancelled checks (see exception under Permanent Records)
- Contracts, mortgages, notes and leases (expired)
- Expense analyses and expense distribution schedules
- Garnishments
- Inventories of products, materials and supplies
- Invoices (to customers, from vendors) (see vouchers)
- Notes receivable ledgers, schedules and trial balances
- Option records (expired)
- Payroll records and summaries, including payments to pensioners
- Personnel files after termination (if a retirement plan was in effect, regardless if employee was a plan participant); (if employee was a participant in a pension plan, consult your plan advisor)
- Plant cost ledgers
- Purchase orders (purchasing department copy)
- Sales records
- Scrap and salvage records – inventories, sales, etc.
- Stock and bond certificates (cancelled)
- Subsidiary ledgers to the general ledger and trial balances
- Time books/cards

- Voucher registers, schedules and trial balances
- Vouchers for payments to vendors, employees, etc. (including allowances and reimbursement of employees, officers, etc., for travel and entertainment expenses)
- Withholding tax statements

THREE YEARS

- Employment applications
- Insurance policies which have expired
- Internal audit reports, including working papers (in some situations, longer retention periods may be desirable)
- Internal reports (miscellaneous)
- Petty cash vouchers
- Physical inventory tags
- Sales commission reports

TWO YEARS

- Bank reconciliations
- Correspondence (general)
- Correspondence (routine) with customers and/or vendors
- Duplicate deposit slips

ONE YEAR

- Magnetic tape and tab cards
- Purchase orders (except purchasing department copy)
- Receiving sheets
- Requisitions
- Stenographers' notebooks
- Stockroom withdrawal forms