



## Pierce, Riesbeck & Associates, LLP

certified public accountants and consultants

16W485 S. Frontage Road, Suite 310, Burr Ridge, IL 60527-7110

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 underreported income is involved), so all records substantiating tax deductions should be kept that long.

### Here are recommended retention periods for various records:

Accounting Records	Retention Period
Accounts payable	7 years
Accounts receivable	7 years
Audit reports	Permanent
Chart of accounts	Permanent
Depreciation schedules	Permanent
Expense records	7 years
Financial statements (annual)	Permanent
Fixed asset purchases	Permanent
General ledger	Permanent
Inventory records	7 years (Permanent for LIFO system)
Loan payment schedules	7 years
Paid invoices	7 years
Purchase orders (1 copy)	7 years
Sales records	7 years
Tax returns	Permanent

Bank Records	Retention Period
Bank reconciliations	2 years
Bank statements	7 years
Credit card receipts	7 years
Cancelled checks	7 years (Permanent for real estate purchases)
Deposit slips	7 years
Electronic payment records	7 years

Corporate Records	Retention Period
Board minutes	Permanent
Bylaws	Permanent
Business licenses	Permanent
Contracts - major	Permanent
Contracts - minor	Life + 4 years
Insurance policies	Life + 3 years (Check with your agent. Liability for prior years can vary.)
Leases/mortgages	Permanent
Patents/trademarks	Permanent
Shareholder records	Permanent
Stock registers	Permanent
Stock transactions	Permanent

Employee Records	Retention Period
Benefit plans	Permanent
Employee files (ex-employees)	7 years (Or statute of limitations for employee lawsuits)
Employment applications	3 years
Employment taxes	7 years
Payroll records	7 years
Pension/profit sharing plans	Permanent

Real Property Records	Retention Period
Construction records	Permanent
Leasehold improvements	Permanent
Lease payment records	Life + 4 years
Real estate purchases	Permanent

Miscellaneous Records	Retention Period
Investment records	Life + 7 years