



MargolisBecker

The Business and Management Advisors

RECORDS RETENTION GUIDE – MargolisBecker, LLC – Page 1

Type of Record	Guideline Retention Period
<u>GENERAL ACCOUNTING RECORDS</u>	
Accounts payable invoices	3 years
Accounts payable ledgers (year-end)	permanent
Accounts receivable ledgers (year-end)	permanent
Bank statements and deposit receipts	7 years
Budgets and cost files	7 years
Cash receipts records	7 years
Cash sales slips	3 years
Check registers	permanent
Checks, payroll and general	7 years
Correspondence, accounting	3 years
Dividend checks	6 years
Entertainment, gifts, and gratuities	3 years
Estimates and projections	3 years
Expense reports	3 years
Financial statements - periodic and annual	permanent
Journals - cash, sales, purchases, etc.	7 years
General ledgers (year-end)	permanent
Notes, canceled	7 years
Note ledgers	permanent
Petty cash records	3 years
Royalty computations	7 years
Sales commission reports	7 years
Trial balances (year-end)	permanent
Uncollectible accounts records	7 years
Work papers, rough	7 years

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PLANT AND PROPERTY RECORDS

Appraisals	permanent
Asset depreciation schedules	permanent
Capital asset transaction records	until 3 years after sale
Damage reports	7 years
Deeds, titles, mortgages	permanent
Inventory records (year-end)	7 years
Leases	permanent
Plans and specifications	permanent
Purchase, lease records	permanent

LEGAL RECORDS

Claims and litigation concerning torts and breach of contracts	20 years or after expiration
Contracts negotiated plus specifications, procedures and correspondence	permanent
Correspondence, legal	permanent
Patents and related materials	20 years or after expiration
Trademarks and copyrights	permanent

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PURCHASING, RECEIVING, AND SALES RECORDS

Bills of lading, waybills	2 years
Contracts	3 years
Delivery reports	3 years
Employee travel reports	1 year
Freight bills and claims	5 years
Job jackets/job information	7 years
Purchase orders	3 years
Requisitions	3 years
Receiving reports	3 years
Sales contracts and invoices	7 years

TAXATION RECORDS

Agent's reports	permanent
Annuity or deferred payment plan	permanent
Excise reports	permanent
Property taxes	permanent
Sales and use tax reports	VA - 3 years MD - 4 years DC - 5 years
Tax bills and statements	permanent
Tax returns and working papers	permanent

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PERSONNEL AND PAYROLL RECORDS

General personnel records (including application forms, promotion and discharge, tests, physical exams, etc.)	
Form EEO-1 (employee information report) if 100 or more employees	1 year
Basic employee & payroll information, including name, address, date of birth, occupation, rate of pay, and social security number	most recent
Payroll agreements, plans, notices, etc.	3 years
Supplementary basic records, such as time cards, work time schedules, wage rate tables, etc.	3 years
All records pertinent to ERISA plans	2 years
Employment tax records showing each employee's identification information, remuneration paid, date of payment, FICA taxes withheld, the month in which payments were made, the type of service paid for, the amount of FUTA paid into each state employment fund	6 years
The I-9 employment eligibility verification form (and related documents)	4 years
	3 years from the date of hire or 1 year after termination, whichever is later



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OCCUPATIONAL SAFETY AND HEALTH

All federal reports (for example, Form 200)	
Blood borne pathogens standard requires retention of medical records of occupational exposures, including name and social security number of employees, results of examinations, medical testing, and follow-up	5 years
Records for employees exposed to hazardous chemicals	duration of employment plus 30 years duration of employment plus 30 years

PERSONAL TAX RECORDS

Bank statements, including check books, check stubs and canceled checks	
Supporting information for tax returns	3 years
Pay records and stubs	3 years
Investment transaction data	1 year
Investment account statements - annual	until 3 years after sale
Real estate transaction data	until 3 years after sale
Tax returns	permanent
Contracts	permanent
Notes, canceled	permanent

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STATUTES OF LIMITATIONS: ASSESSMENT PERIOD FOR AUDIT AND COLLECTION OF TAX

GENERAL 3-YEAR PERIOD

Generally, all income taxes must be assessed within three (3) years after the original return's filing due date, i.e., April 15 for individual taxes, March 15 for business taxes with a calendar year-end, etc., or within three (3) years after the return was actually filed, if later.

OMMISSION OF OVER 25% OF INCOME

If income is omitted in excess of 25% of the gross income stated on the return, a six-year (6) limitation period on assessment applies.

FALSE RETURN OR NO RETURN

There is no statute of limitations if the IRS determines that a tax return is false or fraudulent, or no return was filed. So, if you think you fit this category, disregard the retention guidelines and permanently keep all of your records (or then again, you might consider not keeping any records).