



Save What Matters. Shred the Rest.

Many business owners hold onto everything “just in case,” which leads to overflowing file cabinets and digital clutter. A clear retention schedule helps you understand what needs to be kept permanently, what can be archived, and what can safely be destroyed. Different records have different legal, tax, and operational requirements, and following a consistent schedule protects your business from compliance issues, missing documentation, and unnecessary stress.

Document retention isn’t limited to paper files. Most businesses now store the majority of their information electronically – email, accounting software, cloud storage, scanned receipts, and more. These digital records must be maintained in formats that remain accessible and retrievable over time. The IRS treats “machine-sensible” records – such as digital files, scanned documents, and accounting data – the same as their paper counterparts. That means your electronic archives should follow the same retention periods and be stored in a secure, organized system you can rely on when you need it.

General Financial Records

• Auditors' reports	Permanent
• Bank debt deduction	10 Years
• Bank deposit slips, reconciliations, statements	5 Years
• Bills of lading	4 Years
• Budgets	2 Years
• Checks - cancelled	7 Years
• Contracts - purchase and sales	4 Years *
• Credit memos	4 Years
• Depreciation records	4 Years *
• Employee expense reports	4 Years
• Financial statements -- annual	Permanent
• Financial statements -- interim	2 Years
• Freight bills	2 Years
• Internal reports (Work orders, sales reports, production reports)	2 Years
• Inventory lists	2 Years
• Invoices - Sales and cash register receipts, merchandise purchases	7 Years

• Invoices -- purchases (permanent assets)	7 Years *
• General ledger	Permanent
• Journals	5 Years
• General, cash receipts, cash disbursement, and purchase journals.	7 Years
• Petty cash vouchers	7 Years
• Subsidiary ledgers (accounts receivable, accounts payable, etc.)	7 Years
• Worthless securities	7 Years

* Retention periods begin after termination, expiration, disposal, etc. of items.

Business Records

• Articles of incorporation	Permanent
• Bylaws	Permanent
• Capital stock and bond records	Permanent
• Contracts and agreements (government construction, partnership, labor, etc.)	7 Years
• Copyrights and trademark registration	Permanent
• Legal correspondence	7 Years *
• Minutes	Permanent
• Mortgages and note agreements	7 Years *
• Patents	Permanent

* Retention periods begin after termination, expiration, disposal, etc. of items.

Payroll Records

• Attendance Records	5 Years
• Employee Files (W-2, I-9, earnings records, employment application, contact info, etc.)	5 Years *
• Employee Pension Records	7 Years *
• Employment Application - Not Hired	3 Years
• Employment Contracts	10 Years *
• Garnishments	5 Years *
• W-4, 1099, 1096	5 Years *
• Commission Reports	4 Years
• Payroll Tax Returns	10 Years *
• Payroll Journal	5 Years
• Payroll Checks	4 Years
• Timecards and daily time reports	4 Years
• Electronic Filing Documents	7 Years
• Employer Direct Deposit Application	10 Years *
• Bank Reconciliations	7 Years

- Bank Statements 10 Years *

* Retention periods begin after termination, expiration, disposal, etc. of items.

Insurance Records

- Accident reports 6 Years
- Fire inspection reports 6 Years
- Group disability records 6 Years
- Insurance policies 6 Years *
- Safety records 6 Years
- Settled insurance claims 4 Years *

* Retention periods begin after termination, expiration, disposal, etc. of items

Pension/Profit Sharing Records

- Actuarial reports Permanent
- Associated ledgers and journals Permanent
- Financial statements Permanent
- IRS approval letter Permanent
- Plan and trust agreement Permanent

Tax Records

	Business	Personal
• Tax returns and cancelled checks (federal, state and local)	7 Years *	7 Years *
• Sales and use-tax returns	5 Years *	N/A
• Pension/profit-sharing informational returns	Permanent	Permanent

* All tax record retention periods begin with the date the return was filed. If the statute of limitations concerning a tax year is extended, the retention period should also be extended accordingly. There is no limitation for returns that are filed fraudulently or that substantially underreport income.

Keeping Records for Non-Tax Purposes

Even after a document is no longer needed for tax reasons, you may need to keep it longer for insurance, legal, or contractual requirements. Before discarding anything, confirm whether another agency, lender, or partner requires a longer retention period. Items tied to warranties should be kept at least as long as the warranty is active. And when it's time to dispose of old records, always use secure destruction methods — shredding or burning — to protect yourself from identity theft and unauthorized access.

The Bottom Line: Retention Protects Your Business.

These retention guidelines are general recommendations and may vary based on your industry, the nature of your business, or specific legal circumstances. The IRS has further guidance on keeping documents for both businesses and individuals. You may obtain copies of these publications at the following links:

- Record Keeping for Individuals: <http://www.irs.gov/pub/irs-pdf/p552.pdf>
- Record Keeping for Businesses: <http://www.irs.gov/pub/irs-pdf/p583.pdf>

Not sure how long to keep certain documents or need help setting up a reliable system for both paper and digital records? **We can show you how to build a structure that keeps your business protected and compliant. We're here to help.**



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