



## CFO Edge Business Record Retention Schedule

### Key

Figures represent the number of years to retain records

- P Records should be retained **Permanently**
- AT **After Termination** of the employee or contract
- AD **After Disposal** of the underlying asset

Type of Record	Suggested Retention Period	Type of Record	Suggested Retention Period
Accident reports (settled)	7	Deeds	P
Articles of incorporation	P	Delivery receipts	5
Bank reconciliations	3	Dividend reinvestment records	7 AD
Bank statements	7	Dividend register	P
Bills of lading	5	Divorce documents	P
Bills of sale	P	Depreciation schedules	7 AD
Bonds (records of issuance)	P	Duplicate deposit slips	1
Brokerage statements	7 AD	Electronic Fund Transfer documents	7
Budgets	3	Equipment leases (after expiration)	6
Bylaws	P	Equipment repair records	3
Capital stock:		Estate planning documents	P
Applications for authorization and issuance	P	Expense reports:	
Certificates (canceled)	P	Departmental	5
Ledger	P	Employee	5
Transfer records	P	Expense analysis/distribution reports	7
Chart of Accounts	P	Fidelity bonds	3 AT
Charitable contribution documentation	7	Financial reports:	
Checks – cancelled (Routine items)	7	Audited	P
Checks – cancelled (Important items, e.g., taxes, purchases of property and equipment, home improvements, special contracts, etc.)	P	Annual	P
Check register	10	Interim	3
Commission reports	6	Fire inspection reports	6
Contracts:		Fire damage reports	6
Corporate	20 AT	Forms 1099	7
Employee	7 AT	Franchise agreements	P
Vendor	7	Freight draft, bills and claims	5
Construction documents	P	Garnishments	3 AT
Copyrights	P	Insurance policies - expired	P
Correspondence:		Inventory records	7 AD
Accounting	5	Investment purchase and sales slips	7 AD
Credit and collection	7	Investment property purchase documents	7 AD
General	3	Invoices (issued or received)	7
Legal	P	Invoices - fixed assets	7 AD
Personnel	7 AT	IRA annual reports	P
Cost accounting records	5	IRA non-deductible contributions (Form 8606)	P
Credit card statements	7	Home purchase and improvement documents	7 AD

Type of Record	Suggested Retention Period	Type of Record	Suggested Retention Period
Labor records:		Plant acquisition records	P
Applications (employees)	7 AT	Property appraisals by outside appraisers	P
Attendance records	4	Property records:	
COBRA records	3	Account ledgers	P
Contracts	7 AT	Appraisals	P
Daily time reports	5	Damage reports	7
Disability claims	7 AT	Deeds and titles	P
Earnings records	7	Depreciation	7 AD
Employee service records	7 AT	Plans and specifications	P
Form IA-9	3 AT	Purchases	P
Medical and exposure records (related to toxic substances)	40	Sales	P
OSHA logs	6	Taxes	10
OSHA training documentation	3	Purchase order copies	7
Pay checks	7	Purchase invoices	7
Personnel files	7 AT	Receiving reports	3
Salary and wage rate changes	7 AT	Remittance statements	3
Salary receipts	7 AT	Requisitions	3
Time cards, tickets and clock records	5		
Unemployment claims	7 AT	Sales invoices	7
Withholding exemption certificates	7 AT	Sales slips (cash and charge)	7
Workers' compensation reports	10	Salesmen commission reports	7
Leases	7AT	Scrap and salvage records	7 AD
		Securities (brokerage slips)	7 AD
Ledgers and journals:		Servicemarks	P
Accounts payable ledger	7	Shipping tickets	5
Accounts receivable ledger	7	Stockholder records (list of minutes, proxies, reports to stockholders)	P
Cash journal	10	Surety bonds	3 AT
Customer ledger	7		
General journal	10	Tax records (including worksheets, bills and statements, and agent's reports)	10
General ledger	P	Tax returns (copies):	
Journal entries - year end	P	Estate	P
Payroll journal	10	Gift	P
Plant ledger	P	Income	P
Purchases journal	10	Payroll	7
Royalty journal	10	Personal property	10
Sales journal	10	Sales and Use	10
Stock ledger	P	Social security	7
Licenses	3 AT		
Maintenance and repair records:		Title papers	P
Buildings	7	Trademark records	P
Machinery	5	Travel records (employees)	3
Manufactured stock records	7		
Minute books	P	Uncollectible accounts records	7
Mortgages	7 AT	Union (labor) contracts	P
Mutual fund annual statements	7 AD		
Notes (canceled)	7	Vouchers (register)	10
Note register	P		
Options	7 AT	Wage and rate records	7
		Warrants	P
Patent records	P	Withholding and exemption certificates	7 AT
Pension records	P	W-2 Forms	7
Petty cash records	3	W-4 Forms	4 AT

Some of the suggested retention periods are for legal reasons, while others are based on practical considerations. You may want to keep some records longer than the table suggests.

1. It is an excellent idea for you to adopt a record retention policy. The above schedule gives you some suggestions on items to be included in the policy and time periods to be used.
2. When developing a record retention policy, it is important to think about where those files will be kept, how secure those files will be, and the conditions under which files will need to be stored (heat and particularly dampness can be very destructive to files).
3. Some of the reasons to keep files and records include legal requirements, potential relevance in future litigation, and the needs of the entity, as well as historic importance. Certainly, should there be threatened litigation or an investigation on a certain subject matter, particular care should be given that no file or document relating to that matter is destroyed.
4. Tax returns and governmental reports affecting tax liability should be kept permanently. However, most backup records, such as receipts documenting income deductions need only be kept for seven years. The Internal Revenue Service calls for a six-year statute of limitations. The IRS has three years from the date of when the income tax return is filed to question or audit it. If the IRS can prove an omission of at least 25% of income, the time period doubles to six years. Therefore, the seven-year period gives a one-year cushion beyond that time limit.
5. Of particular importance is the retention of insurance policies and related documents. From time to time, lawsuits are brought which reach back many years. Therefore, it is important to determine the policy in effect at the time that a claim arose. Should those policies be missing, they can often be recreated by contacting your broker or insurance company to establish coverage.

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## About CFO Edge

CFO Edge is a leading Southern California provider of interim CFO services. We are a group of experienced chief financial officers who engage with CEOs and CFOs on demand to address strategic planning, business management, and day-to-day financial operations challenges. Our seasoned professionals deliver services as interim CFOs, part-time CFOs, project-based CFOs, recruitment-to-permanent CFOs and interim-to-permanent CFOs. At CFO Edge, we're passionate about helping our clients create, grow and sustain value. For more information, visit [www.cfoedge.com](http://www.cfoedge.com) or call 626.683.8840.