SBG

SMALL BUSINESS GROUP

RECORDKEEPING RULES:
Know What to Keep

Whether you are a pack rat or a determined dumper, the Internal Revenue Services does not care. At audit time, everyone is held to the same standards. As a rule of thumb, keep financial records and books as long as the information may be "material in the administration of the income tax laws." This means keeping them for as long as there's a chance you could file an amended return or the IRS could audit the return. Because it is difficult to know what to save and what to pitch, below is a quick guide. Print it out and keep it with your documents. For more information, contact SBG at 731-2221.

Type of Record	**Retention Period**
Copies of tax returns as filed	Forever
Tax and legal correspondence	Forever
Audit reports	Forever
General ledge and journals	Forever
Financial Statements	Forever
Contracts and leases	Forever
Real Estate records	Forever
Corporate minutes & stock records	Forever
Bank Statements & deposit slips	7 years
Sales Records and journal	7 years
Employee expense reports	7 years
Personal investment records	7 years
Canceled checks	7 years
Paid vendor invoices	7 years
Employee payroll expense records	7 years
Inventory reports	7 years*
Depreciation schedules	Permanent
Other capital assets records	Permanent
IRA records	Permanent

** Forever if you use the last in, first out (LIFO) method.*

1804 University Blvd. West ● Jacksonville, FL 32217 ● (904) 731-2221 ● Fax (904) 731-5544
www.smallbg.com ● Email: sbg@smallbg.com