



# *Powell & Booth, P.C.*

*Certified Public Accountants  
Founded 1924*

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## STANDARD RECORD RETENTION POLICY

We have had several inquiries as to how long a business entity or an individual needs to keep financial and supporting tax documentation records. The Internal Revenue Service typically has three (3) years to audit returns. However, it has six (6) years if it suspects that the return understates income reported by more than 25%. NO statute of limitations applies if fraud is involved or a business entity or individual fails to file their tax return.

❖ Below is a record retention schedule based on legal as well as tax considerations:

Copies of Tax Return	Forever
Tax/Legal Correspondence	Forever
Audit Reports	Forever
Contracts & Leases	Forever
Real Estate Records	Forever
Corporate Minutes & Stock Records	Forever
Bank Statements & Cancelled Checks	Six (6) Years
General Ledger & Journals	Six (6) Years
Sales Records & Journals	Six (6) Years
Paid Vendor Invoices	Six (6) Years
Employee Expense Records	Four (4) Years
Employee Payroll Records	Four (4) Years
Personal Investment Records	Six (6) Years – after sales
IRA Records	Six (6) Years – after withdrawals
Depreciation Schedules	Tax Life of Asset – plus 3 years

If you have questions or need additional information please do not hesitate to call us.