

NOVEMBER 2007

How Long Should I Keep My Records?

Deciding how long to keep your personal and business records is more of a science than a rule. Some key questions you should ask yourself when evaluating whether to throw away or keep a document are:

- Will I ever need proof of this in court?
- Could this help me win a dispute?
- Am I still paying on this?
- Is this still showing on my credit report?
- Did I report or itemize this on my taxes?
- Does this have important historical value?



If the answer is “yes” to any of these questions, you should consider keeping this document for several years.

Most people keep their personal utility bills and small purchase receipts longer than necessary. If you don’t have a problem with the charges and the answer is “no” to all of the above questions, throw it away or shred it.

The following chart is a recommendation of how long you should keep various personal and business documents. Please contact your accountant or lawyer for special exceptions.

Personal					
Record Type	Comments	1-yr	3-yrs	7-yrs	Perma- nently
Utility bills	telephone, water, gas, etc.	✓			
Small purchase receipts	food, clothes, cosmetics, etc.	✓			
Pay stubs		✓			
Insurance records	vehicle & home	✓	✓		
Medical bills & prescriptions				✓	
W-2's				✓	
Home improvement/repairs				✓	✓
Tax returns	income & property			✓	✓
Bank statements				✓	✓
Canceled checks	keep those only related to taxes & disputes			✓	✓
Legal correspondence				✓	✓
Inventory of personal valuables					✓
Diplomas, college transcripts					✓
Medical history					✓
Employment records					✓

Items involved in disputes	tickets, fines, lawsuit, etc.				✓
Retirement/savings plans/investments	IRA's & annual summaries				✓
Vital documents	birth certificate, marriage license, SSN, immigration, etc.				✓

Business*					
Record Type	Comments	1-yr	3-yrs	7-yrs	Permanently
Petty cash vouchers			✓		
Employment applications			✓		
General correspondence			✓	✓	
Bank deposit slips			✓	✓	
Employee expense reports			✓	✓	
Purchase orders				✓	
Automobile expense logs				✓	
Invoices				✓	
Accident reports & claims	settled cases			✓	
Bank statements	including canceled checks			✓	✓
All Itemized receipts/reports	payables, receivables, etc.			✓	✓
Employee time cards/records	following termination			✓	✓
W-2's, 1099s				✓	✓
Tax returns				✓	✓
Legal correspondence					✓
Audit reports from accountant					✓
Capital improvements					✓
Assets you depreciate					✓
Deeds & bills of sale					✓
Minutes	from stockholder meetings				✓
Property appraisals					✓
Licenses & permits					✓
Copyrights, trademarks, patents, etc.					✓
Environmental insurance policies					✓
Business vitals	Articles of incorp., EIN, bylaws, etc.				✓

* All other records should be kept until they expire +3 additional years.