

SMT ASSOCIATES, INC.

BUSINESS DOCUMENT RETENTION GUIDLINES

Federal law requires you to maintain copies of your tax returns and supporting documents for three years. However, if the IRS believes you have significantly underreported your income (by 25 percent or more), or believes there may be indication of fraud, it may go back six years in an audit. Below is a sample schedule of retention periods for various business and personal records. Again, this is a sample and is not meant to be all inclusive.

Document	Retention Period
Accident Reports, Claims	6 years
Accounts Payable Ledgers and Schedules	6 years
Accounts Receivable Ledgers and Schedules	6 years
Audit Reports from CPAs/Accountants	Permanently
Bank Statements and Reconciliation's	3 years
Cancelled Checks	6 years
Cancelled Checks for Important Payments (especially tax payments)	Permanently
Cancelled Stock and Bond Certificates	6 years
Cash Books, Charts of Accounts	Permanently
Contracts, Leases Currently in Effect	Permanently
Corporate Documents (incorporation, charter, by-laws, etc.)	Permanently
Correspondence with Customers and Vendors	1 year
Deeds	Permanently
Depreciation Schedules	Permanently
Documents substantiating fixed asset additions	Permanently
Duplicate Deposit Slips	1 year
Employee Personnel Records (after termination)	3 years
Employment Applications	3 years
Employment Tax Records	6 years
Expense Analysis and Expense Distribution Schedules	6 years
Expired Contracts, Leases	6 years
Expired Insurance Policies	3 years
Financial Statements (Year End)	Permanently
General and Private Ledgers, Year End Trial Balances	Permanently
General Correspondence	3 years
Insurance Records, Current Accident Reports, Claims, Policies	Permanently
Internal Audit Reports	3 years
Internal Reports	3 years
Inventories of Products, Materials, Supplies	6 years
Invoices to Customers	6 years
IRS Revenue Agents' Reports	Permanently
Legal Records, Correspondence and Other Important Matters	Permanently
Minutes Books of Directors and Stockholders	Permanently
Mortgages, Bills of Sale	Permanently
Notes Receivable Ledgers, Schedules	6 years

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Document	Retention Period
Payroll Records and Summaries, including payment to pensioners	6 years
Physical Inventory Tags	3 years
Property Appraisals by Outside Appraisers	Permanently
Property Records	Permanently
Purchase Orders (other than Purchasing Department copy)	1 year
Purchasing Department Copies of Purchase Orders	6 years
Receiving Sheets	1 year
Requisitions	1 year
Retirement and Pension Records	Permanently
Sales Records	6 years
Tax Returns and Worksheets	Permanently
Time Cards For Hourly Employees	3 years
Travel and Entertainment Records	6 years
Vouchers for Payments to Vendors, Employees, etc.	6 years

PERSONAL DOCUMENT RETENTION GUIDELINES

Personal Documents To Keep For One Year

	<u>Retention Period</u>
While it's important to keep year-end mutual fund and IRA statements	1 year

Personal Documents To Keep For Three Years

Credit Card Statements	3 years
Medical Bills (in case of insurance disputes)	3 years
Utility Records	3 years
Expired Insurance Policies	3 years

Personal Documents To Keep For Six Years

Supporting Documents For Tax Returns	6 years
Accident Reports and Claims	6 years
Medical Bills (if tax-related)	6 years
Property Records / Improvement Receipts	6 years
Sales Receipts	6 years
Other Tax-Related Bills	6 years

Personal Records To Keep Forever

Legal Records	Permanently
Income Tax Returns	Permanently
Income Tax Payment Checks	Permanently
Investment Trade Confirmations	Permanently
Retirement and Pension Records	Permanently

Special Circumstances

Car Records (keep until the car is sold)	
Credit Card Receipts (keep until verified on your statement)	
Insurance Policies (keep for the life of the policy)	
Mortgages / Deeds / Leases (keep 6 years beyond the agreement)	
Pay Stubs (keep until reconciled with your W-2)	
Property Records / improvement receipts (keep until property sold)	
Sales Receipts (keep for life of the warranty)	
Stock and Bond Records (keep for 6 years beyond selling)	
Warranties and Instructions (keep for the life of the product)	
Other Bills (keep until payment is verified on the next bill)	
Depreciation Schedules and Other Capital Asset Records (keep for 3 years after the tax life of the asset)	