



GIG HARBOR TAX AND ACCOUNTING

GET WHAT YOU DESERVE. GET A TAX PROFESSIONAL ON YOUR SIDE!

15210 Stevens Rd SE
Olalla, WA 98359

Phone: (253) 509-8928
kelly@gigharbortaxandaccounting.com

HOW LONG DO I NEED TO KEEP MY FINANCIAL RECORDS

Tax returns can generally be audited for up to three years after filing and up to six years if the IRS suspects underreported income. It is wise to keep tax records at least seven years after a return is filed. Requirements for records kept electronically are the same as for paper records.

Generally, follow these recommended periods for various documents:

Business

Accounting Records	Retention Period
Accident Reports/Claims (settled cases).....	7 Years
Accounts Payable.....	7 Years
Accounts Receivable.....	7 Years
Audit Reports.....	Permanent
Chart of Accounts.....	Permanent
Depreciation Schedules.....	Permanent
Expense Records.....	7 Years
Financial Statements (Annual).....	Permanent
Fixed Asset Purchases.....	Permanent
General Ledger.....	Permanent
Inventory Records.....	7 Years ¹
Loan Payment Schedules.....	7 Years
Petty Cash Voucher.....	3 Years
Purchase Orders (1 copy).....	7 Years
Sales Records.....	7 Years
Tax Returns.....	Permanent

Bank Records	Retention Period
Bank Reconciliations.....	2 Years
Bank Statements.....	7 Years
Cancelled Checks.....	7 Years ²
Electronic Payment Records.....	7 Years

Corporate Records	Retention Period
Board Minutes.....	Permanent
Bylaws.....	Permanent
Business Licenses.....	Permanent
Contracts—Major.....	Permanent
Contracts—Minor.....	Life + 4 Years
Insurance Policies.....	Life + 3 Years ³
Leases/Mortgages.....	Permanent
Option Records (Expired).....	7 Years
Patents/Trademarks.....	Permanent
Shareholder Records.....	Permanent
Stock Registers.....	Permanent
Stock Transactions.....	Permanent

Employee Records	Retention Period
Benefit Plans.....	Permanent
Employee Files (Ex-Employees).....	7 Years ⁴
Employment Applications.....	3 Years
Employment Taxes.....	7 Years
Payroll Records.....	7 Years
Pension/Profit Sharing Plans.....	Permanent

Real Property Records	Retention Period
Construction Records.....	Permanent
Leasehold Improvements.....	Permanent
Lease Payment Records.....	Life + 4 Years
Real Estate Purchases.....	Permanent

Individual Records	Retention Period
Tax Returns (Uncomplicated).....	7 Years
Tax Returns (All Others).....	Permanent
W-2s.....	7 Years
1099s.....	7 Years
Cancelled Checks Supporting Tax Deductions.....	7 Years
Bank Deposit Slips.....	7 Years
Bank Statements.....	7 Years
Charitable Contribution Documentation.....	7 Years
Credit Card Statements.....	7 Years
Receipts, Diaries, Logs Pertaining to Tax Return.....	7 Years
Investment Purchase & Sales Slip....	Ownership Period + 7 Years
Dividend Reinvestment Records.....	Ownership Period + 7 Years
Year-End Brokerage Statements.....	Ownership Period + 7 Years
Mutual Fund Annual Statements.....	Ownership Period + 7 Years
Investment Property Purchase Documents...Ownership Period+7 Years	
Home Purchase Documents.....	Ownership Period + 7 Years
Home Improvement Receipts & Cancelled Checks.....	Ownership Period+7 Years
Home Repair Receipts & Cancelled Checks.....	Warranty Period for Item
Retirement Plan Annual Reports.....	Permanent
IRA Annual Reports.....	Permanent
IRA Nondeductible Contributions Form 8606.....	Permanent
Insurance Policies.....	Life of Policy + 3 Years ⁵
Divorce Documents.....	Permanent
Loans.....	Term of Loan + 7 Years
Estate Planning Documents.....	Permanent
Correspondence (General).....	2 Years
Correspondence (Legal/Important Matters).....	Permanent
Property Appraisals by Outside Appraisers...Ownership Period+7 Years	

¹Permanent for LIFO system.

²Permanent for real estate purchases.

³Check with your agent. Liability for prior years can vary.

⁴Or statute of limitations for employee lawsuits.

⁵ Check with your agent. Liability for prior years can vary.

www.gigharbortaxandaccounting.com

Let me help you benefit from the credits and deductions that save you money to make the most of your tax return.

Business Tax | Individual Tax | Nonprofit Tax