

Record Retention Requirements



Moore Complete Bookkeeping & Tax

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What is an Enrolled Agent?

Enrolled agents (EAs) are America's tax experts. EAs are the **only** federally licensed tax Practitioners who specialize in taxation and also have **unlimited** rights to represent taxpayers before the Internal Revenue Service.

To become an EA, a tax professional must either pass a stringent and comprehensive three-part examination covering individual tax returns, business tax returns, and representation, practice and procedure, or have relevant experience as a former IRS employee.

All candidates are subjected to a rigorous background check conducted by the IRS. To keep their licenses, EAs must complete annual continuing education reported to the IRS, which keeps them on top of the most current tax laws. Members of the National Association of Enrolled Agents are required to complete even more continuing education.

Unlike attorneys and CPAs, who may or may not choose to specialize in taxes, all enrolled agents specialize in taxation. That's why they're the tax professionals of choice!

ENROLLED AGENT | AMERICA'S TAX EXPERTS®
NATIONAL ASSOCIATION OF ENROLLED AGENTS

How Can an Enrolled Agent Help Me?

Enrolled agents (EAs) are federally-licensed tax practitioners who both specialize in taxation and have unlimited rights to represent taxpayers before the Internal Revenue Service. If you get a letter from the IRS, or worse, are audited or are the target of a collection action, your EA can speak directly to the IRS on your behalf. **The enrolled agent license is the highest credential the IRS issues.**

NAEA | POWERING AMERICA'S TAX EXPERTS
NATIONAL ASSOCIATION OF ENROLLED AGENTS

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Business Accounting Records	Retention Period
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
Fixes assets purchases	Permanent
General ledger	Permanent
Inventory records	7 years *1
Loan payment schedules	7 years
Purchase orders	7 years
Sales records	7 years
Tax returns	Permanent

Bank Records	Retention Period
Bank reconciliations	7 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

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

Corporate Records	Retention Period
Leases/mortgages	Permanent
Patents/trademarks	Permanent
Shareholder records	Permanent
Stock registers	Permanent
Stack Transactions	Permanent

Real Property Records	Retention Period
Construction records	Permanent
Leasehold improvements	Permanent
Lease payment records	Life + 4 years
Real estate purchase	Permanent

Employee Records	Retention Period
Benefits plan	Permanent
Employee files ex-employees	7 years *4
Employee applications	3 years
Employee taxes	7 years
Payroll records	7 years
Pension/profit sharing plans	Permanent

Corporate Records	Retention Period
Tax returns	Permanent
Forms W-2	7 years
Forms 1099	7 years
Cancelled checks	7 years
Bank deposit slips	7 years

Individual Records	Retention Period
Bank statements	7 years
Charitable contribution documentation	7 years
Credit card statements	7 years
Receipts & logs pertaining to tax returns	7 years
Investment purchase and sales slips	Ownership + 7 years
Dividend reinvestment records	Ownership + 7 years
Year-end brokerage statements	Ownership + 7 years
Mutual fund annual statements	Ownership + 7 years
Investment property purchase documents	Ownership + 7 years
Home purchase documents	Ownership + 7 years
Home improvement receipts and canceled checks	Ownership + 7 years
Home repair receipts and cancelled checks	Warranty period for item
Retirement plan annual reports	Permanent
IRA annual reports	Permanent
IRA nondeductible contributions Form 8608	Permanent
Insurance policies	Life if policy + 3 years *3
Divorce documents	Permanent
Loans	Term of loan + 7 years
Estate planning documents	Permanent

1 Permanent for last-in-first-out system

2 Permanent for real estate purchases

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

4 Or statute of limitations for employee lawsuits