

## Record Retention Policy

Our office frequently receives phone calls from clients asking the question, "How long should I keep copies of my tax returns?" If you have ever contemplated shredding old tax returns or other documents, but were unsure how long you were required to keep these documents, then you will find this list helpful. The list below provides the general guidance about how long some of the more common documents should be retained by individuals and businesses.

- Income tax returns -permanently
- Documents supporting income tax returns -7 years
- Sales tax returns -permanently
- Payroll tax returns -permanently
- Employment tax records for employees -4 years after date tax is due or is paid
- Employee payroll data -7 years
- General ledger -permanently
- Daily cash reports and bank deposit slips -7 years
- Sales invoices to customers-7 years
- Bank statements and cancelled checks 7 years
- Credit card statements 7 years
- Documents in support of assets sold -7 years after sale of asset

Please be aware that the legal requirements for retaining certain documents can vary by state. Consult your legal counsel if you are in question about retention requirements of specific documents.

Sincerely,

Hancock & Dana, PC