

## Records Retention: Papers to File/Save



Here is some generic advice about which papers to save and which to toss. **It is always very important, however, to check with your accountant and/or lawyer before throwing out any legal or financial paperwork**, or when you have any questions or doubts. These professionals can advise you about *your own particular* tax situation.

At present, many of us are starting to switch over to online banking, bill paying, and record keeping, as well as to scanning many of our documents and receipts. Please consult your accountant or financial advisor about whether there are any different rules and regulations regarding these types of electronic records, and what back-up, if any, is required by the IRS. If your records are digital, there may be no need to delete them after the years required for keeping them are up, unless you need the digital space!

Document Category	Retention
<b>Automobile payments/records</b>	Keep until car is sold and for at least 7 years* beyond if vehicle is used for business.
<b>Bank Receipts</b>	Keep until you balance your checkbook, or until you see that transactions are recorded.
<b>Bank Statements</b>	Keep for 7 years if they relate to taxes – which they often do, or in case you are not sure.
<b>Big Purchases - Receipts</b>	Including e.g. appliances, furniture, art, antiques: keep for the life of the warrantee or as long as you own the item (in case you want to sell). Some people keep the receipts with the warrantees. See below for those receipts related to "home improvements."
<b>Business Expenses</b>	Keep for 7 years, for tax purposes.
<b>Canceled Checks</b>	Keep for 7 years if they relate to taxes, which they usually do. Some people like to keep their cancelled checks indefinitely. Remember to keep ones that relate to "home improvements" for when you sell your house, as well as to keep ones for big purchases, and tax return payments.
<b>Charitable Contributions</b>	Keep for 7 years, for tax records.
<b>Credit Card Statements and Receipts</b>	Keep until you receive year end summary statement, or otherwise for 7 yrs. if they relate to taxes – which they usually do. Keep credit card receipts until you can reconcile with monthly statement, or possibly for returns.

**Karen G. Kramer - Space to Breathe**  
*Professional Organizing Services for Your Home and Office*

Document Category	Retention
<b>Daily Calendar Sheets</b>	Keep for 7 years to help corroborate business expenses.
<b>Home Improvements - Receipts</b>	Keep until you sell your home, and until the related tax period is over (another 7 years).
<b>Insurance Policies/Payments</b>	Keep record of payments for one year, unless business related, then 7 years. Keep policies for life of policy. Some advise to keep expired policies for at least three years, or 7 years, however, to prove prior coverage.
<b>Insurance Accident Reports and Claims</b>	Keep for 7 years, some say indefinitely.
<b>Investment/Stock Reports</b>	Keep until you get your year-end statement and keep reports that show a trade. Keep sales records for 7 years for taxes. Keep record of stock purchases until you sell.
<b>Lease and Loan Agreements</b>	Keep loan discharges 7 years after payments, some say indefinitely.
<b>Medical Expenses/Records of Insurance Payments</b>	If you itemize on your taxes, keep for 7 years. Otherwise, keep for 3 yrs in case of an insurance dispute, or you may choose to keep if they relate to health history.
<b>Pay Stubs (and other Employee Compensation)</b>	Keep until you get your W-2 (Keep last statement to see payroll deductions.)
<b>Tax Forms</b>	After 7 yrs. many say you may toss documents related to taxes, but you must keep the tax returns indefinitely. Some advise keeping W2's, K-1's, and 1099's indefinitely along with Income Tax payment checks. Hold on to any records of home improvements that were included with taxes.
<b>Tax Payments - Receipts</b>	Keep receipts of mortgage interest, tax preparation fees, and other tax payments for 7 years, or indefinitely.
<b>Utilities Bills/Statements</b>	Keep for one year, or longer to track utility usage. Keep for 7 yrs. if they are related to taxes, as with a home office.
<b>Recent Purchases - Receipts</b>	Toss when you are sure that you don't want to return the item, or if you don't have another reason to save, e.g. to create a budget, for reference, or if the item relates to Home Improvements or Big Purchases (see above.)
<b>All other bills paid (not business/taxes related)</b>	You may want to keep for one year, for reference or to create a budget, or for a return; otherwise toss.

**Keep indefinitely:**

Home or property purchase, closing, or sale documents; birth, death, marriage, divorce, adoption, legal documents; litigation records; social security card; stock certificates; military papers; passports; promissory notes and loan documents; records of major purchases; wills, estates, trusts; retired IRA's; tax returns, estate tax returns and inheritance documents; retirement and pension documents; licenses, patents, trademarks; audit reports; and all other papers you consider important.

\* In this list "7 years" actually means "6 years from the date that your current tax return is filed."