

Appendix 1

Example Record Retention Periods—Firm Files

	<u>Retention Period</u>
Accounting Records:	
General ledger	Indefinitely
Cash receipts and disbursements journals	Indefinitely
Fixed asset ledgers	Indefinitely
Accounts receivable ledgers	7 years
Accounts payable ledgers	7 years
Payroll records	Indefinitely
Billing files	7 years
Expense reports	7 years
Time sheets	7 years
Cancelled checks, bank statements, and deposit slips	7 years
Administrative Records:	
Partnership or corporate records (such as articles of incorporation, bylaws, partnership agreements, licenses, stock ledger, and cancelled stock certificates).	Indefinitely
Leases and contracts	7 years after expiration.
Insurance documents	7 years after expiration or settlement
Firm tax returns and annual financial statements	Indefinitely
Interim financial statements	7 years
Personnel Records:	
Applications, resumes, job advertisements, etc. related to employees	4 years after termination
Unsolicited applications, resumes, job advertisements, etc. related to nonemployees	6 months
Solicited applications, resumes, job advertisements, etc. related to nonemployees	2 years after the advertisement or interview
Performance evaluations	4 years after termination
CPE records	4 years after termination
Employment contracts	4 years after termination
INS I-9 Forms	Longer of 3 years from date of filing or 1 year after termination
Salary information	4 years after termination

Caution: These are example record retention periods only. Record retention periods should generally correspond with the longest statute of limitations that prevails in states in which the firm does business. Records related to pending legal proceedings must be kept until the proceedings are completed. Firms should consult their state board of accountancy to determine the applicable requirements in their states.

Appendix 2

Example Record Retention Periods—Client Files

	Retention Period	
	Current Client	Former Client
Engagement Files:		
Client correspondence files	7 years	7 years
Draft financial statements and reports	Until engagement completion	N/A
Audited financial statements and reports	Indefinitely	7 years
Compiled or reviewed financial statements and reports	Indefinitely	7 years
Special reports	Indefinitely	7 years
Tax returns	Indefinitely	7 years
Special tax reports	Indefinitely	7 years
Workpaper Files:		
Audit workpapers	7 years	7 years
Compilation or review workpapers	7 years	2 years
Special reports workpapers	7 years	2 years
Tax return workpapers	7 years	2 years
Special tax report workpapers	7 years	2 years
Permanent files	Indefinitely	7 years

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