

PER STIRLING

We want to help you know which documents to shred and which to keep.

These days, most companies are required by law to hold confidential client information, along with employee or company data, for a minimal amount of time. Documents will eventually outlive their purpose, and keeping them too long places you at risk of a security breach and non-compliance with today's privacy legislation.

How long you hold business records should be decided by a retention schedule that balances each record's usefulness with the legal requirements. To some degree, this will depend on your type of company, and the lifecycle of specific documents. You'll want to configure a retention schedule for each sort of document, and create a secure destruction schedule for those documents to lower the risks affiliated with data breaches.

From a risk-management perspective, once you have decided on a time period to retain each type of document, the only acceptable way to discard your documents is to be sure they are irreversibly destroyed. Shredding is a legal requirement for several types of documents, and on site shredding is the safest approach. You'll want a Certificate of Destruction that specifies the exact date and method used to destroy your documents.

To assist you in creating the right retention schedule for your company, here is a list of documents that contain confidential information, along with the suggested retention period for each type in accordance with certain legal requirements. **These recommendations on document retention are general guidelines only. They are not designed to exemplify legal advice. Contact your legal expert(s) or federal, state or provincial government to guarantee you are following current legal requirements for your area. ****

Alphabetized by document category

BUSINESS DOCUMENTS

Years of retention

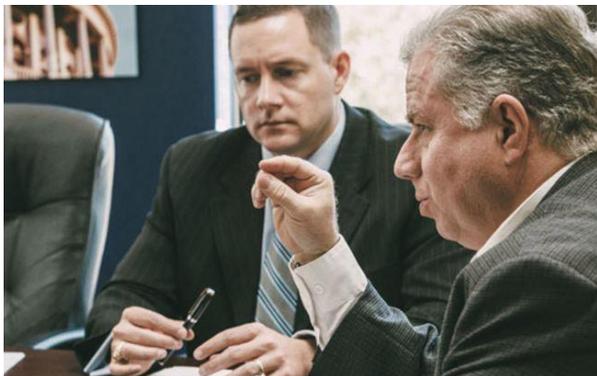
Contracts	6*
Correspondence, general	6*
Deeds	Permanent
License, traffic and purchase (Correspondence)	6
Mortgages and note agreements	6*
Patents	Permanent
Production (correspondence)	8

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FINANCIAL DOCUMENTS Years of retention

Auditors' reports	Permanent
Bank debt deduction	7
Bank deposit slips, reconciliations, statements	4
Bills of lading	4
Budgets	2
Checks – cancelled	4
Contracts – purchase and sales	4*
Credit memos	4
Depreciation records	4*
Employee expense reports	4
Employee payroll records (W2, W-4, annual earnings records, etc.)	6*
Financial statements – annual	Permanent
Financial statements – interim	4
Freight bills	4
Internal reports (work orders, sales reports, production reports)	4
Inventory lists	4
Invoices – sales and cash register receipts, merchandise purchases	4
Invoices – purchases (permanent assets)	4*
General ledger	Permanent
General, cash receipts, cash disbursement, and purchase journals	Permanent
Payroll journal	4
Subsidiary ledgers (accounts receivable, accounts payable, etc.)	6
Time cards	4
Worthless securities	7

INSURANCE DOCUMENTS Years of retention

Accident reports	6
Claims – after settlement	10
Fire inspection reports	6
Group disability reports	8
Policies – all types – expired	4
Insurance policies	6*
Safety reports	8
Settled insurance claims	4*

PERSONNEL Years of retention

Attendance records	7
COBRA records	4
Contracts – expired	6
Dental benefits	5
Daily time reports	6
Disability and sick benefit records	6
Employment applications – not hired	3
Employee benefit plans	2*
Employee medical history	7
Medical benefits	7
OSHA logs	6
Performance record – after termination	7
Personnel files – terminated	7*
Withholding tax statements	6

PURCHASING AND SALES Years of retention

Purchase orders	7
Requisitions	3
Sales contracts	3
Sales invoices	3

TAX DOCUMENTS Years of retention

Payroll tax returns	4
Pension/profit-sharing informational returns	Permanent
Sales and use tax returns	Permanent
Tax returns and cancelled checks (federal, state and local)	Permanent

TRAFFIC – SHIPPING AND RECEIVING Years of retention

Export declarations	4
Freight bills	4
Manifests	4
Shipping and receiving reports	4
Waybills and bills of lading	4

*** Retention periods begin after the termination, expiration, disposal, etc., of the item.**

** Information in this guide has been sourced from the links below:

1. <http://www.businessarchives.com/document-retention-requirements.asp>
2. <http://www.cpa.net/resources/retengde.pdf>
3. <http://www.fdic.gov/regulations/laws/rules/6500-2400.html>
4. <http://www.irs.gov/businesses/small/article/0,,id=98575,00.html>