Biz Facts

Just the facts about your taxes!

Business by Design

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Record Keeping Guidelines

The length of time you should keep a document depends on the action, expense, or event of the document records. Generally, you must keep your records that support an item of income or deductions on a tax return until the period of limitations for that return runs out. Generally, the statute of limitations starts when you file a return and expires three years for federal tax returns and three ½ years for Minnesota tax returns. There statue of limitations on a fraudulent tax return is six years from date of filing. There is no statute of limitations on an unfiled return.

One year or until you feel that all parties of the transaction(s) are in agreement

- Customer & Vendor correspondence
- Open Purchase Orders
- Monthly & quarterly statements once year end statements arrive

Three years or End of Statue of Limitations

- Bank statements & reconciliation's
- Insurance records from current policies
- Investment Trade Statements
- Annual statements
- Medical bills

Six years or until you feel conflicting parties of the transaction(s) are in agreement

- Supporting documents for the tax return
- Accident reports & claims
- Accounts Payable & Receivable ledgers, schedules and support (invoices)
- Cancelled checks, stock and bond certificates
- Employment tax records

Forever

- Audit & legal reports
- Income tax returns
- Retirement & pension records
- Chart of Accounts
- Major contracts
- Corporation documents
- Deed
- Property improvement receipts and records
- Financial Statements

Special Circumstances

- Car records when car is sold
- Invoice receipts are until verified on the statement
- Insurance policies are kept for the life of the policy
- Mortgages, deeds and leases six years
- Other bills until payment is verified on the next bill
- Sales receipts are until warranty period has expired

*This information should be used as a guideline. Specific questions regarding this "Biz Facts" should be directed to a Business by Design tax professional.