



In business, good record keeping is vital not only for tax reporting purposes, but also for the success of your practice. The guidelines below give retention periods for the most common business records.

Accounting Records	Retention Period
Accounts payable	7 years
Accounts receivable	7 years
Audit reports	Permanent
Chart of accounts	Permanent
Depreciation schedules	Permanent
Expense records	7 years
Financial statements (annual)	Permanent
Fixed asset purchases	Permanent
General ledger	Permanent
Inventory records	7 years
Loan payment schedules	7 years
Purchase orders (1 copy)	7 years
Sales records	7 years
Tax returns	Permanent

Bank Records	Retention Period
Bank reconciliations	2 years
Bank statements	7 years
Cancelled checks	7 years
Electronic payment records	7 years

Corporate Records	Retention Period
Board minutes	Permanent
Bylaws	Permanent
Business licenses	Permanent
Contracts - major	Permanent
Contracts - minor	Life + 4 years
Insurance policies	Life + 3 years
Leases/mortgages	Permanent
Patents/trademarks	Permanent
Shareholder records	Permanent
Stock registers	Permanent
Stock transactions	Permanent

Employee Records	Retention Period
Benefit plans	Permanent
Employee files (ex-employees)	7 years
Employment applications	3 years
Employment taxes	7 years
Payroll records	7 years
Pension/profit sharing plans	Permanent

Real Property Records	Retention Period
Construction records	Permanent
Leasehold improvements	Permanent
Lease payment records	Life + 4 years
Real estate purchases	Permanent

Among the busiest professionals, dentists have little time to learn the latest tax laws and business strategies. Tax planning and dental practice management is often neglected in the crush of other obligations. Yet making hasty year-end decisions in an attempt to reduce taxes and making last minute business decisions is a very poor substitute for year-round tax and practice management planning.

For nearly 30 years, Costin + Company has developed a particular expertise in helping dentists successfully manage their businesses effectively, efficiently, and profitably. We take pride in offering unique personalized accounting and tax planning services to dental professionals.

If you'd like more information or assistance with your record retention program, please contact us:

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*Be aware that tax change can occur at any time. As needed, contact us for current rules and regulations.

