THE DONOVAN COMPANY
CERTIFIED PUBLIC ACCOUNTANT

Re: Records Retention

In response to many requests of what tax records should be kept and how long, we have prepared the following list for your reference based on Federal laws.

Income Tax returns and supporting documents – Keep at least four (4) years and preferably six (6) if space is not critical. Once this period has elapsed, the documents can be discarded, but the returns themselves, which do not take much space, should be retained indefinitely.

Residential property records – All escrow statements (purchase and sale) plus receipts for improvements should be kept for at least four (4) years after property is sold. Refinance papers should also be retained.

Purchase receipts for stocks, bonds, mutual funds – These should be kept for at least four (4) years after the asset is sold. This would include record of stock dividends, splits and reinvested dividends.

Depreciation records – For any rental real estate or depreciable business property you own, keep records of the properties cost, date acquired, and the schedule of depreciation claimed in previous years. This record should be kept until four (4) years after the disposition of the property.

Retirement plan contributions – Records of nondeductible IRA deposits, employer–plan stock purchases, rollovers, conversions to Roth IRAs and Keogh plan deposits should be kept until four (4) years after the plan assets have been withdrawn.

Personal records – Important papers such as estate and gift tax returns, divorce and property settlement agreements, deeds, title insurance policies, and all trust documents should be kept in a permanent file, or perhaps a safe deposit box.

Miscellaneous papers – All other documents to include bank statements, canceled checks, credit card statements, deposit slips, charitable contribution receipts, and medical bills can be discarded after four (4) years.

If you are not sure, have any questions or need any further information, please contact us.

Very truly yours,
The Donovan Company

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