

SPRING CLEANING

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This is a great time to do a little spring cleaning of your financial records. You have just filed your tax returns and it is time file your records away. What records should you keep? How long should you keep them? How should you dispose of obsolete records? The following are some general guidelines:

1. Keep copies of your tax returns permanently.
2. Keep records that support income and deductions on your tax return for 6 years after filing your tax return.
3. Keep purchase information of stocks, bonds, real estate, and other investments to support your cost basis for 6 years after the sale of the investment.
4. Keep annual IRA and 401k statements permanently.
5. Keep old paystubs, credit card statements, receipts, bank statements and cancelled checks for one year unless you need them support warranties or deductions on your tax return.
6. Take advantage of your local municipality's free shredding days.

Consult your tax advisor to review your personal situation.