



Reviewed January 4, 2021

Document Retention Policy



# Document Retention Policy

Developed for:

**Jordan & Associates, LLC**  
**“Tax Angels”**  
**And/or**  
**Affiliates/Partners**

2610 Center Point Parkway  
Center Point, AL 35215

Reviewed January 4, 2021

Document Retention Policy



© 2021 Jordan & Associates, LLC "Tax Angels"

## Document Retention Policy

Jordan & Associates, LLC "Tax Angels" and/or their Affiliates and Partners, hereinafter referred to as JAALLC, hereby denotes its policies regarding information and document retention. These policies apply uniformly to documents retained in either paper or electronic format.

*Note that JAALLC complies with the Gramm-Leach Bliley Act's safeguards rule and maintains a written information security plan (contained in a separate firm policy document).*

### Documents to be maintained

We will retain firm business records to comply with Internal Revenue Service requirements. In relation to the professional services we provide, our policy is to retain documentation necessary to support our work (including opinions, resolution of differences, conclusions and research utilized in analysis), our correspondence with clients, and our work product and items of continuing significance. Drafts or other documents not utilized in our client work should not be retained.

Documents transmitted as attachments via email should be considered separately from the email messages to which they are attached.

Original client records will be returned to clients and will not be a part of our ongoing files.

### Procedures for client document storage

Several guidelines will be followed to ensure that files are properly stored for easy retrieval and that client information is safeguarded. All client service information will be stored in our firm's central system. Documents attached to and transmitted by email shall be stored in a machine-readable format in our firm's electronic document management system in the appropriate client folders. Email messages that contain information pertinent to the completion of a tax return or financial statement, such as a client's responses to a list of questions, will be copied in PDF or other machine-readable format and included in the source documents folder. Email messages not saved for filing in the correspondence file or other appropriate folder shall be deleted.

### Retention periods for firm operations and client records

Firm accounting/bookkeeping records

- Annual and monthly financial reports: 3-7 years

Reviewed January 4, 2021

Document Retention Policy



- Bank statements and bank reconciliations: 3 – 7 years
- Depreciation schedules: 3 – 7 years
- Employee expense reports: 3 – 7 years
- General ledger detail: 3 – 7 years
- Payroll reports filed (including Forms W-2 and 1099): 3 – 7 years
- Property and equipment records and invoices: 3 – 7 years after the disposal
- Records on virtual currency and other digital assets including the transaction history, access and security information for as long as these assets are owned
- Vendor invoices: 3 – 7 years

#### Firm administrative records

- Accident reports and claims: 3 – 7 years after the accident/settlement
- Accounts receivable reports: 3 – 7 years
- Client newsletters and other marketing materials: 3 – 7 years
- Conflict of interest disclosures: 3 – 7 years after the conflict has expired
- Continuing Professional Education (CPE) records: 3 – 7 years
- Corporate agreements, annual reports, minutes and bylaws – Permanent
- Documentation supporting required health coverage for employees and non-subjection to Sec. 4980H assessable payments (for applicable large employers) – Permanent. There is no applicable statute of limitations on assessment because there is no tax return filed to report an employer's liability.
- Insurance documents and policies: 3 – 7 years after the term
- Leases and contracts: 3 – 7 years after the term
- Personnel files (post-employment): 3 – 7 years after the employment
- Retirement plan/401(k) plan information – Permanent
- Shareholder documents, agreements and contracts – Permanent
- Tax returns – Permanent
- Time and billing information (including invoices): 3 – 7 years
- Worksheets and related backup documents for firm returns: 3 – 7 years

#### Client records

- Audits, reviews and compilations (financial statements and workpapers): 3 – 7 years
- Documentation supporting required health coverage for employees and non-subjection to Sec. 4980H assessable payments (for applicable large employers) – Permanent. There is no applicable statute of limitations on assessment because there is no tax return filed to report an employer's liability.
- Litigation support projects (including workpapers): 3 years
- Permanent files for current clients (including but not limited to: client identifying information) – Permanent
- Permanent files for former clients (including but not limited to: client identifying information): 3 – 7 years
- Regulatory examination files: 3 – 7 years after the close of the exam
- Reports filed with government agencies (including workpapers): 3 – 7 years
- Special projects (reports and workpapers): 3 – 7 years
- Tax returns and workpapers (including but not limited to, electronic filing authorizations and any such documentation to support virtual currency transactions): 3 – 7 years



All clients will be notified in writing that the firm's policy is to destroy files after the applicable period, and that clients may request copies of any data contained therein subject to firm approval.

Retention periods commence immediately following the date of the financial statements or the taxable year in the case of tax returns and workpapers.

## **Destruction and control**

Destruction of documents is as important as their storage. Paper documents which are not to be retained in the firm's files will be shredded or incinerated if they contain confidential information or sensitive data. Any document with a Social Security number, a taxpayer identification number or a client name on it will be destroyed in this manner. We will never throw confidential documents in the trash. Electronic documents are destroyed by deleting them from the medium on which they are stored and then purging the medium itself. A written list of files (both paper and electronic) to be destroyed will be reviewed by each partner for clients with potential issues that may require a longer retention period.

Any exceptions to the above retention policies must be approved by the engagement partner, in writing, on a document retention exception log and approved by the managing partner. (See below example of our document retention exception log request form.) Exceptions should be very limited, and the reason should be clearly documented.

A list of files destroyed will be maintained permanently. If we learn that a government agency is investigating a client or that private litigation is pending or threatened (even if the firm is not directly involved), we will retain all relevant records, even if they are slated for destruction under the firm's policy and even if no request has been made for them.

Sincerely,

Jordan & Associates, LLC  
"Tax Angels"  
& Affiliates/Partners

Reviewed January 4, 2021

Document Retention Policy



## Document Retention Exceptions Log (Example)

Date: [enter date]

Client name: [enter name]

Description of documents and reason not destroyed: [enter description]

Engagement partner:

---

(print name)

---

(signature)

Managing partner:

---

(print name)

---

(signature)

Reviewed January 4, 2021

Document Retention Policy

