

## How Long Should Records Be Kept?

Some records need to be kept forever (birth certificate or military record) and some can be tossed as soon as the transaction is recorded (the grocery bill itemized for food and household supplies). There is no single length of time to keep all records, so some guidelines can be observed.

- 1. Throw it away when you've used it.**  
Keep receipts until you have summarized them (unless needed for tax purposes or proof of purchase). If you document the purchases on the check register by category, the canceled check will show proof of payment. If you use an account book (manual or computer and record check or deposit transaction numbers) you should also have proof of payment or income.
- 2. Keep the record one year.**  
Referring to receipts may be helpful when preparing current tax returns. File receipts by category of income or expense for the current calendar or fiscal year. Check tax forms to determine which categories are deductible. Once you complete your taxes and save the appropriate receipts, the rest can be discarded.
- 3. Keep records as long as the purchase lasts.**  
Discard receipts and operating manuals when the tractor is traded, the dryer dies or the car is wrecked beyond repair. Keep receipts for major purchases.
- 4. Keep tax records three years or more.**  
Records to substantiate adjustments to gross income, deductions and credits should be kept at least three years in case of tax audit. However, if you omitted a gross income item greater than 25% of reported total gross income there is a six-year statute of limitation for tax audit, and no time limit if fraud is involved. Many people keep their tax records as documentation for retirement and social security contributions. In this case, you may consider keeping the records indefinitely.
- 5. Keep property records as long as you have the property.**  
Anything that documents the "cost basis" of an asset must be saved until that asset is sold or otherwise disposed of and accounted for on an income tax return. The purchase documentation and any improvements of a home must be kept until it is sold in order to assess the capital gain or loss. This also applies to stocks, bonds, and other real estate.

**6. Keep some records indefinitely.**

FAMILY RECORDS are useful for proof of age eligibility for benefits. These include birth, death, marriage and divorce records, citizenship papers, social security number, military records, education and employment records.

Set up a location to keep records so they stay neat and are accessible. All adults in the family should know and understand the filing system. Label current and permanent file folders and keep in records boxes or a filing cabinet.

**WHERE TO KEEP YOUR FARM AND FAMILY RECORDS**

Item	Carry With You	On Site	Current File	Permanent File	Fire Proof Safe/ Deposit Box
Account Book (Journal & General Ledger)			X		
Advisors Contact Information - Farm & Family				X	
Bank Records			X	X	
Bills of Sales		X	X	X	
Birth Certificates					X
Blood Type Card	X				
Burial Plot Deed				Copy	X
Business Contracts			X	X	X
Cancelled Checks			X	X	X
Citizenship Papers					X
Checkbook	X		X		
Credit Cards	X			List	
Debt Instruments/Loan Documents			X	X	
Driver's License	X				
Education Records				X	
Employment Records				X	
Farm Inventories			X		List
Financial Plans			X	X	
Financial Records				X	
Guarantees, Warranties			X	X	
Health Records				X	
Household Inventories			X		List
Installment Payments			X		
Instruction Booklets		X		X	

Health, Vehicle Insurance Cards	X				
Insurance Policies				X	List
Keys, duplicate				X	
Mailing Lists			X		

**WHERE TO KEEP YOUR FARM AND FAMILY RECORDS (Continued)**

Item	Carry With You	On Site	Current File	Permanent File	Safe Deposit Box
Marriage, Divorce Records					X
Memberships	X			X	
Military Records				X	X
Net Worth Statement			X	X	
Organ Donor Card	X				
Passport					X
Personal Property Titles					X
Real Estate Titles, Deeds & Mortgages					X
Receipts and Bills		X	X	X	
Records Inventory			X		
Retirement Records				X	
Special Farm Records		X	X	X	
Social Security Cards	X				
Support Payments			X	X	
Stock Certificates, Bonds				X	X
Tax Returns, Records				X	
Wills				X	X