

## Keeping Financial Records Work Sheet

The question of what needs to be saved comes up each year after tax returns are completed. Much of the paperwork from previous years does not have to be saved for tax purposes. So unless you are keeping it for other reasons, such as a spending history of your household, some things can be thrown away. Be sure to save the following:

**Individual tax returns and supporting tax records:** Save indefinitely, if you want to be extra cautious. For a standard audit, the IRS can ask to see records up to three years old. If you're suspected of underreporting your income, however, the IRS can go back six years. And if you're suspected of fraud or failure to pay, they can go back indefinitely.

**Housing records:** For as long as you own your home, plus at least three years for tax records (this applies to deeds, title papers, mortgages, home improvement receipts and tax forms related to sale or exchange of principal residence).

**Mutual fund year end statements:** As long as you own the asset or need the statements for tax records. Get rid of monthly statements if all activity is shown on year end statements.

**Paycheck stubs:** Keep year end statements for your tax records.

**Canceled checks and credit card statements:** One year, unless it pertains to taxes or major purchases you still own.

**Bank statements:** One year (hold on to anything that applies to your tax records).

**For additional guidance in this area, talk to your accountant or financial planner.**