



Record retention guidelines for dealerships

✔ Permanent records

Corporate Documents

- Articles of Incorporation; bylaws
- Corporate stock books
- Corporate minute books
- Partnership & shareholder agreements
- S-Corporation election with IRS approval (Form 2553)
- Annual Domestic Corporation Filing Report

Other Documents

- Construction contracts
- Deeds and easements
- Employment applications, contracts & personnel files (3 years beyond employee termination)
- Environmental site tests results & cleanup reports
- Dealer license data
- Papers pertaining to litigation
- Patents, copyright & trademark registrations

Financial Records

- Audit, review & compilation reports
- Year-end financial statements
- Fixed asset & depreciation schedules
- Retirement and pension records
- Year-end trial balance
- All journals of original entry

Income Tax Matters

- Federal tax Form 970-LIFO election
- Federal tax Form 3115-application for change in accounting method
- Form 8300 filings
- LIFO new car & truck factory invoices & reserve calculations
- LIFO used vehicle & parts supporting information & reserve calculations
- State income/franchise tax returns & examiners' reports
- U.S. income tax returns

✔ Record retention guideline by year

One year (beyond current year)

- Receiving reports

Three years (beyond current year)

- Service history (from date of last activity)
- Fire inspection reports (most recent)
- General correspondence
- Petty cash vouchers

Four years (beyond current year)

- Mortgages & notes (four years after expiration)
- Credit memos
- Receipts for cash & other office receipts
- Year-end schedules
- Internal repair orders (office & hard copy)
- Repair orders (hard copy)
- Truth in lending, evidence of compliance

Ten years (beyond current year)

- All vehicle deal jackets

Seven years (beyond current year)

- Salespeople's commission reports
- Account book for travel & entertainment statements identifying time, place & amount of expenditure
- Vendors' invoices
- Property tax bills or receipts
- Bank statements & reconciliations
- Duplicate deposit slips & canceled checks
- Disability & sick benefit records
- DMV report of sales books
- Payroll tax returns
- Personal property tax statements
- Purchase orders & requisitions
- Repair orders (office copy)
- Excise tax return (Luxury, 720, ODC)
- Vehicle, parts & sundry invoices
- Flagsheets/timecards
- General ledger
- Insurance claims (after settlement)
- Parts sales invoices
- Building & equipment leases (seven years after lease expiration)

☑ Retention for operation records

Bills of lading	10 years
Buyer's guide – used care label*	No requirement*
Car invoice *	7 years
Car purchase orders*	10 years
Credit applications – denied*	2 years
Credit applications – approved*	No requirement
Customer files*	10 years
Insurance policies, expired	4 years
Internal repair orders*	4 years
Odometer statements*	5 years
OSHA records	6 years
Personnel files, closed	7 years after termination
Purchase orders	7 years
Repair estimates	9 months
Repair order	7 years
Retail installment contract, assigned*	10 years
Retail installment contract, not assigned*	10 years past expiration
Sales invoices	6 years
Service contracts/extended warranties*	10 years past expiration
Shipping and receiving reports	6 years
Underground storage tanks (testing results and DNR correspondence)	Permanently
Uniform hazardous waste manifests	3 years

* *These items would ordinarily be in the car deal jacket. Each item has its own retention requirements. However, unless you want to strip the file, keep the car deal for 10 years. Even then, contracts which are performed over time, for example, retail installment contracts (if you are carrying the financing, not those that are assigned) and service contracts, should be kept for 10 years past their expiration. The Used Car Buyers' guide is not technically required to be kept. However, if you don't keep a signed copy, it will be difficult to prove that your customer received one.*

☑ Record retention for taxes

Form 8300 - \$10,000 cash reporting form	5 years
Income tax returns – U.S. and state	Permanently
Income tax returns – related workpapers	5 years
IRS audit results	Permanently
Unemployment tax returns – U.S. and state and related workpapers	7 years
Withholding tax returns – U.S. and state and related workpapers	7 years
Withholding tax statements	7 years

These record retention guidelines are just a recommendation as each company situation is unique. The records that serve a company's needs will vary by organization or industry and, therefore, a company should consider establishing a policy that best fits its operational environment. Consult your tax advisor for additional information.

General Note: Any years in which income tax fraud is an issue, the statute of limitations runs forever. If this possibility is a concern, the financial records of a dealer should not be purged for such given year(s).

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