



Guide to Record Retention for Auto Dealers

You can rely on a reasonable record retention policy such as this one if you have thrown away records which are later requested of you. However, in order to use the policy as a defense, you should exercise the policy and discard documents on a regular (at least yearly) basis.

Item	Retention Period
Accounting	
Audit records	Permanently
Accounts receivable or payable ledger	7 years
Bank statements and reconciliations	7 years
Canceled checks — payroll and general	7 years
Canceled Checks — for purchase of assets should be filed with asset records	5 years after disposition of asset
Canceled Checks — important papers (taxes, special contracts, etc.)	Permanently
Capital stock book	Permanently
Cash disbursement journal	7 years
Cash received journal	7 years
Expense reports	7 years
Expense ledger	7 years
Financial statements (retain permanently if no audit reports)	7 years
General ledger and journal	Permanently
Interdepartmental sales journal	4 years
Inventory records-annual only	7 years
New car sales journal	7 years
Notes receivable ledger (after repayment)	7 years
Parts, accessories, and service sales journals	7 years
Payroll earnings records	4 years
Payroll journal	4 years
Payroll time cards	4 years
Petty cash vouchers	3 years
Petty cash summary envelope	3 years
Prepaid and accrued expenses journal	3 years
Subsidiary ledger	7 years
Trial balances	7 years
Vouchers-vendors, employees	7 years

Item	Retention Period
Corporate	
Articles, by-laws, minutes, other corporate	Permanently
Correspondence	
General	3 years
Legal and tax	Permanently
Operations	
Accident reports	7 years
Bills of lading	7 years
Buyer's guide-used car label*	No requirement*
Car invoices*	6 years
Car purchase orders*	7 years
Credit applications-denied*	2 years
Credit applications-approved*	No requirement
Customer files*	7 years
Employment applications, terminated and not hired	3 years
Employment applications, hired	3 years past termination
Insurance policies, expired	4 years
Internal repair orders*	3 years
Odometer statements*	5 years
OSHA records	6 years
Personnel files, closed	6 years after termination
Purchase orders	6 years
Repair estimates	9 months
Repair order	2 years
Retail installment contract, assigned*	10 years
Retail installment contract, not assigned*	7 years past expiration
Sales invoices	6 years
Service contracts/extended warranties*	7 years past expiration
Shipping and receiving reports	4 years
Underground storage tanks — testing results and DNR correspondence	Permanently
Uniform hazardous waste manifests	3 years
Taxes	
Form 8300- \leq \$10,000 cash reporting form	5 years
Income tax returns, U.S. and state	Permanently
Income tax returns, related work papers	5 years
IRS audit results	Permanently
Unemployment tax returns, U.S. and state and related work papers	4 years
Withholding tax returns, U.S. and state and related work papers	4 years
Withholding tax statements	4 years

*These items would ordinarily be in the car deal jacket. Each item has its own retention requirement. 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.

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