

Document Retention Policy

An Important Aspect of Dealership Operations

All dealerships realize having a document retention and destruction policy is a valuable part of regular operations. A policy that is well planned and consistently followed will help a dealership increase its efficiency, reduce its document storage costs and protect itself from allegations that particular documents were destroyed because the dealership did not want them to become public in litigation.

A good document retention policy is more than just a chart listing categories of documents and a number of years to keep the documents. It should include a:

- A description of how the document retention and document destruction processes are implemented
- Assignment of responsibility among operational and managerial employees
- Specifically address electronic documents, such as email, web pages and paper documents

A document retention policy may also improve a dealership's bottom line. For example, a formal policy is likely to provide the comfort needed to finally discard the 10-year-old records stored in a back office, for the possibility of converting that space into a revenue-generating office. Similarly, when the policy includes procedures for systematic destruction of unimportant emails, the dealership will effectively increase its server capacity without making a capital expenditure.

Guidelines for retention periods of various records and documents are provided on the following pages. **This list is intended for general information only and does not constitute legal advice or professional services.**

If you have any questions about destroying any tax or accounting records, please contact your accountant or attorney. You may also contact LADA CPA, Glen LaBorde with Hannis T. Bourgeois, LLP (225-928-4770) or LADA Labor Legal Counsel Tim Scott with Fisher & Phillips, LLP (504-522-3303).

- A -

Type of Record	Retention Period
Accessories & Parts Sales Invoices	3 Years
Accident Reports	10 Years
Accounts Receivable Ledger	8 Years
Accounts Payable Ledger	8 Years
Accrued Expense Journals	6 Years
Agreements, Partnership	Permanent
Air Bag Switch Installation Forms	Permanent
Air Conditioning Technician Certifications	3 Years
Air Conditioning Recycling Refrigerant Records	3 Years
Applications, Employee, Hired (past termination)	3 Years
Applications, Employee Not Hired	3 Years
Appraisal Reports, Pre-Owned Vehicles	1 Year
Appraisals by Independent Appraisers, Property	Permanent
Audit Report	Permanent

- B -

Type of Record	Retention Period
Back Order Forms, Parts	Until Filled
Bank Drafts & Paid Notices	10 Years
Bank Statements & Reconciliations	10 Years
Bill of Lading	10 Years
Bylaws, Minutes and Charter, Corporation	Permanent

- C -

Type of Record	Retention Period
Cancelled Checks	10 Years
Cancelled Checks, For Assets	5 Years <i>(after disposition of asset)</i>
Cancelled Checks, Tax Payments	Permanent
Cash Receipts Journals	6 Years
Cash Reporting Form 8300	5 Years
Capital Stock Books	Permanent
Chart of Accounts	Permanent
Checks, Cancelled	10 Years
Chemical Inventory Forms, "Tier-Two"	3 Years
Compensation Records, Salespeople	3 Years
Corporation Minutes, Bylaws and Charter	Permanent
Consignment Agreements, Vehicles	4 Years
Construction Contracts	Permanent
Cost of Sales & Sales Ledgers	Permanent

Charter, Minutes, and Bylaws, Corporation	Permanent
Compensation Records, Employees	6 Years
Correspondence, Legal and Tax Related	Permanent
Counter Sales Summaries, Daily, Parts	3 Years
Credit Applications and Related Documents, (including supplemental information used in evaluating applicants & written notifications)	25 months
Credit Memos	6 Years
Customer Files	10 Years
Customer Repair Orders, Service	7 Years

- D -

Type of Record	Retention Period
Daily Time & Job Ticket, Service	3 Years
Dead Deal Folders, Vehicles	3 Years
Deal Folders, Vehicle	3 Years
Deeds and Easements	Permanent
Demonstrator Agreements, Employee	6 Years
Deposit Ticket Copies	10 Years
Depreciation Records	6 Years
Depreciation Schedules	Permanent
Disability & Sick Benefits Records, Employee	6 Years
Disclosure Statements, Pre-Owned Vehicles	4 Years

- E -

Type of Record	Retention Period
Easements and Deeds	Permanent
Employee Applications, Hired (past termination)	3 Years
Employee Applications, Not Hired	3 Years
Employee Cash Receipts	2 Years
Employee Claims Registers	3 Years
Employee Compensation Records	6 Years
Employee Credit Memos	6 Years
Employee Disability & Sick Benefits Records	6 Years
Employee Evaluations & Conduct Files	1 Year
Employee Garnishments	7 Years
Employee Notes Receivable Records	3 Years
Employee Parts/Accessories Sales Invoice	3 Years
Employee Payroll Records	6 Years
Employee Personnel Files, Closed (after termination)	7 Years
Employee Petty Cash Summaries	3 Years
Employee Petty Cash Vouchers	3 Years
Employee Prepaid & Accrued Schedules	3 Years

Employee Purchase Orders	2 Years
Employee Retirement/ Pension Records	Permanent
Employee Salary History	8 Years
Employee Service Sales Summaries, Daily	3 Years
Employee Time Cards/ Tickets	3 Years
Employee W-4 and L-4 Withholding Authorizations	7 Years
Employee Demonstrator Agreements	6 Years
Employment Contracts	Permanent
Employee Evaluations & Conduct Files	1 Year
Expense Ledgers	Permanent
Expense Reports	6 years
Export Declarations	4 Years

- F -

Type of Record	Retention Period
Financial Statements, Year-End	Permanent
Fire Inspection Reports	6 Years
Fixed Asset Inventory	6 Years
Form 8300 - \$10,000 Cash Reporting Forms	5 Years
Freight Bills	4 Years

- G -

Type of Record	Retention Period
Garnishments, Employee	7 Years
General Ledgers	Permanent
Get Ready Reports, Vehicles	6 Months
Government Contracts	Permanent
"Grey Market" Vehicle or Engine Documents	6 Years
"Grey Market" Vehicles Certificates of Conformity	8 Years

- H -

Type of Record	Retention Period
Hazardous Waste Manifests	3 Years

- I -

Type of Record	Retention Period
Installment Contract – Customer (after last payment)	1 Year
Insurance Claims (after settlement)	10 Years
Insurance Policies, Expired	3 Years
Insurance, Group Disability Records	10 Years
Internal Repair Orders, Service	7 Years
Internal Revenue Service Audit Results	Permanent
Internal Sales Journals	6 Years
Inventory, Fixed Assets	6 Years

Inventory Schedules, New & Pre-Owned, Vehicles	6 Years
Inventory, New & Pre-Owned Vehicles	3 Years
Inventory, Pre-Owned Vehicles	3 Years
Invoices (Factory & Other), Vehicles	4 Years

- J -

Type of Record	Retention Period
Journals, Accrued Expense	6 Years
Journals, Cash Disbursements	6 Years
Journals, Cash Receipts	6 Years
Journals, Disbursements and Purchases	6 Years
Journals, General	6 Years
Journals, Internal Sales	6 Years
Journals, Parts & Accessories Counter Sales	6 Years
Journals, Payroll	6 Years
Journals, Purchase	6 Years
Journals, Service Sales	6 Years
Journals, Standard Entries	6 Years
Journals, Vehicle Sales, New	6 Years

- L -

Type of Record	Retention Period
Lease Agreements	Permanent
LIFO Inventory Index Compilations	Permanent
LIFO Inventory Reserve Compilations	Permanent
Litigation – All Related Papers & Documents	Permanent
Log Books, Pre-Owned Vehicles	5 Years

- M -

Type of Record	Retention Period
Manifests	4 Years
Manifests, Hazardous Waste	3 Years
Minutes, Bylaws and Charter, Corporation	Permanent
Mortgages, Notes, Leases (expired)	10 Years

- N -

Type of Record	Retention Period
National Pollutant Discharge Elimination System (NPDES) Permit Sampling, Monitoring, Measurement Documentation	3 Years
Notes Receivable Records, Employee	3 Years

- O -

Type of Record	Retention Period
Odometer Statement, Vehicle	5 Years
OSHA Records	6 Years

- P -

Type of Record	Retention Period
Paid Notices & Bank Drafts	10 Years
Part & Accessories Receiving Reports	1 Year
Partnership Agreements	Permanent
Parts & Accessories Sales Invoices	3 Years
Parts Back Order Forms	Until Filled
Parts Counter Sales Summaries, Daily	3 Years
Parts Stock Requisitions	1 Year
Patents, Copyright & Trademark Registrations	Permanent
Payroll Records, Journals	6 Years
Pension/Retirement Records, Employee	Permanent
Personnel Files, Closed (after termination)	7 Years
Petty Cash Summaries, Employee	3 Years
Petty Cash Vouchers, Employee	3 Years
Pre-paid Expense Journal	6 Years
Promissory Notes	Until Satisfied
Property Appraisals by Independent Appraisers	Permanent
Proxies	10 Years
Purchase Contracts, Vehicles	4 Years
Purchase Journals	6 Years

- R -

Type of Record	Retention Period
Reassignment Forms, Vehicle	4 Years
Receiving and Shipping Reports	4 Years
Refrigerant Recycling Records	3 Years
Repair Estimates, Service	9 Months
Retail Installment Contracts, Not Assigned (Past Expiration)	10 Years
Retail Installment Contracts, Assigned	10 Years
Retirement/Pension Records, Employee	Permanent

- S -

Type of Record	Retention Period
Safety Reports	10 Years

Sales & Cost of Sales Ledgers	Permanent
Employee Salary History	8 Years
Salespeople Compensation Records	3 Years
Service Contracts & Extended Warranties, Vehicles	10 Years
Service Customer Repair Orders	7 Years
Service Daily Time & Job Ticket	3 Years
Service Internal Repair Orders	7 Years
Service Repair Estimates	9 Months
Service Sublet Repair Invoices	10 Years
Shipping and Receiving Reports	4 Years
Sick Benefits & Disability Records, Employee	6 Years
Small Business Administration (SBA) Loan Records	Permanent
Stock Requisitions, Part	1 Year
Sublet Repair Invoices, Service	10 Years

- T -

Type of Record	Retention Period
Tax Returns, Federal, State & Franchise	Permanent
Tax Returns, Payroll	Permanent
Tax Returns, Related Work Papers	5 Years
Tax Returns, Sales Tax	Permanent
Tax Returns, Unemployment Federal & State	5 Years
Tax Returns, Withholding, Federal & State	5 Years
Technician Certifications, Air Conditioning	3 Years
Time Cards/Tickets, Employee	3 Years
Tire Purchasers, Names & Addresses (w/Tire ID Numbers)	3 Years
Training Manuals	Permanent
Trial Balances, Monthly	3 Years
Trial Balances, Annual	8 Years

- U -

Type of Record	Retention Period
Underground Storage Tanks Documentation	Permanent
Unemployment Federal & State Tax Returns	5 Years
Union Agreements	Permanent

- V -

Type of Record	Retention Period
Vehicle Appraisal Reports, Pre-Owned	1 Year
Vehicle Consignment Agreements	4 Years
Vehicle Deal Folders	3 Years

Vehicle Disclosure Statements, Pre-Owned	4 Years
Vehicle Get Ready Reports	6 Months
Vehicle Inventory Schedules, New & Pre-Owned	6 Years
Vehicle Inventory, New & Pre-Owned	3 Years
Vehicle Invoices (Factory & Other)	4 Years
Vehicle Log Books, Pre-Owned	5 Years
Vehicle Odometer Statement	5 Years
Vehicle Purchase Contracts	4 Years
Vehicle Reassignment Forms	4 Years
Vehicle Sales Journals, New	6 Years
Vehicle Service Contracts & Extended Warranties	10 Years
Vendor Invoices	10 Years

- W -

Type of Record	Retention Period
W-4 and L-4 Withholding Authorizations	7 Years
Warranty & Service Contracts	6 Years
Waybills & Bills of Lading	4 Years
Withholding, Federal & State Tax Returns	5 Years
Workers' Compensation Benefits	10 Years