

# COLORADO AUTOMOBILE DEALERS ASSOCIATION RECORDS RETENTION GUIDELINES

*Developed in cooperation with Heider, Tanner & Dirks, Inc., CPA's*

## **I. PERMANENT RECORDS**

Articles of Incorporation; bylaws  
Audit, review and compilation reports  
Business agreements  
Business license data  
Capital stock books  
Construction contracts  
Corporate minute books  
Deeds and easements, bills of sale  
Employee benefit plan documents  
Employee earnings and medical records (7 years beyond termination)  
Employment applications, contracts and personnel files (7 years beyond termination)  
Environmental exposure records  
Federal tax Form 970-LIFO election  
Federal tax Form 3115-application for change in accounting method  
Financial statements (annual)  
Fixed asset and depreciation schedules and invoices  
General ledger  
Government contracts  
Lease agreements (in effect)  
Legal and tax correspondence  
LIFO vehicle schedules and data sheets, purchased vehicle invoices, and reserve calculations  
LIFO parts detailed index report and reserve calculations  
Mortgages and notes (in effect)  
Papers pertaining to litigation  
Partnership agreements  
Patents, copyright and trademark registrations  
Property appraisals  
Retirement and pension records and returns  
State biannual report of officers and agent  
State income/franchise tax returns and examiners' reports  
Underground storage test results  
U.S. income tax returns  
U.S. revenue agents' reports and related papers

## **II. TEN YEARS**

Bank drafts and paid notices  
Bank statements and reconciliations  
Bills of lading  
Canceled checks  
Deal jackets and related customer files  
Disclosure of damage to vehicles  
Form 8300 filings  
Group disability records  
Insurance claims (after settlement)  
Insurance audit reports  
Mortgages, notes and leases (expired)  
Payroll tax returns  
Retail installment contracts (expired)  
Safety reports  
Service contracts (after expired)  
State sales and use tax returns  
Unemployment tax returns

## **III. SEVEN YEARS**

Accident reports  
All journals of original entry  
All subsidiary ledgers (schedules)  
Check copies  
Claims registers  
Contracts (terminated or expired)  
Counter tickets  
Credit applications (denied)  
Credit memos  
Daily operating control sheets  
Disability and sick benefit records (after expiration)  
DMV report of sales books  
Duplicate deposit slips  
Employee time reports  
Employee benefit plan records  
Expense reports for travel and entertainment, etc.  
Flag sheets/timecards  
Financial statements (monthly)  
Fire inspection reports  
General correspondence  
Insurance policies (should be retained for four years beyond expiration and until all claims are settled, if any)  
Internal repair orders  
Inventory schedules for new and used vehicles (non-LIFO)  
License correspondence

## **III. SEVEN YEARS (continued)**

License correspondence  
Odometer mileage statement  
OSHA Records  
Parts sales slips  
Personal property tax statements  
Property tax bills or receipts  
Purchase correspondence  
Purchase orders and requisitions  
Receiving reports  
Receipts for cash and other office receipts  
Register sales slips  
Repair orders (office copy)  
Sales invoices  
Salespersons' commission reports  
Traffic correspondence  
Trial balances and schedules  
Truth in lending, evidence of compliance  
Vehicle, parts and sundry purchase invoices  
Vendors' invoices  
Withholding (W-2) statements

## **IV. FOUR YEARS**

Correspondence - customers and vendors  
Hazardous waste reports  
INS I-9 forms (retain later of three years from employment date or one year after termination)  
Petty cash summary envelopes  
Petty cash vouchers  
Prepaid and accrued expense journal  
Repair order check sheets  
Standard entries journal  
Stock requisitions

## **V. GENERAL NOTE**

*Any year 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).*