

## Record Retention

### Retain for a Minimum of One Year

Purchase orders (except purchasing department copy)  
 Receiving sheets  
 Requisitions  
 Stenographers' notebooks  
 Stockroom withdrawal forms

### Retain for a Minimum of TWO Years

Bank reconciliations  
 Correspondence (general)  
 Correspondence (routine) with customers and/or vendors  
 Daily Sales Summary  
 Duplicate deposit slips  
 Internal Repair Orders (hard copy)\*  
 Repair Order Check Sheet  
 Repair Orders (hard copy)

### Retain for THREE Years

Bank statements  
 Employment applications  
 Insurance policies (expired)  
 Internal audit reports (longer retention periods may be desirable)  
 Internal reports (miscellaneous)  
 Petty cash vouchers  
 Physical inventory tags  
 Sales commission reports  
 Uniform Hazardous Waste Manifests

### Retain for FIVE Years

Credit Application - approved \*  
 Credit Application - denied\*  
 Odometer Mileage Statement

### Retain for SIX Years

Car Invoices\*  
 Credit Memos  
 New & Used Car Record Claim Register  
 OSHA Records  
 Repair Orders (office copy)  
 Shipping & Receiving Reports  
 State and Local Sales and Gross Receipts  
 Sundry Invoices

### Retain for SEVEN Years

Accident reports/claims (settled cases)  
 Accounts payable ledgers & schedules  
 Accounts receivable ledgers & schedules  
 Checks (cancelled – except for important payments- i.e. taxes, property purchases, special contracts, etc. These should be filed with paperwork regarding transaction)  
 Expense analyses/expense distribution schedules  
 Garnishments  
 Inventories of products, materials, and supplies  
 Invoices (to customers, from vendors)  
 Notes receivable ledgers & schedules  
 Option records (expired)  
 Payroll records & Summaries  
 Personnel files (terminated)  
 Plant cost ledgers  
 Purchase orders (purchasing department copy)  
 Sales records  
 Scrap & salvage records (inventories, sales, etc.)  
 Payroll records & Summaries  
 Personnel files (terminated)  
 Plant cost ledgers

### Retain for SEVEN Years (continued)

Purchase orders (purchasing department copy)  
 Sales records  
 Scrap & salvage records (inventories, sales, etc.)  
 Stocks & bonds certificates (canceled)  
 Subsidiary ledgers  
 Time books/cards  
 Voucher register & schedules  
 Vouchers for payments to vendors, employees, etc. (includes allowances and reimbursement of employees, expenses)  
 Withholding tax statements

### Retain for EIGHT Years

Disclosure of Damage to Motor Vehicle\*  
 Internal Repair Orders (office copy)

### Retain for TEN Years

Customer Files\*  
 Retail Installment Contract (assigned)\*  
 Service Contracts/Extended Warranties (expired)\*

### Retain the following Records PERMANENTLY

Audit reports  
 Capital stock & bond records: ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etc.  
 Cash books  
 Charts of accounts  
 Checks (canceled for important payments i.e. taxes, property purchases, special contracts, etc. These should be filed with paperwork regarding transaction) Contracts, mortgages, notes, & leases (still in effect)  
 Correspondence (legal & important matters)  
 Deeds, mortgages, & bills of sale  
 Depreciation schedules  
 Financial statements (year-end, other optional)  
 General/private ledgers, year-end trial balance  
 Insurance records, current accident reports, claims, policies, etc.  
 Invoices for Fixed Asset Additions (until sold/retired)  
 Investment Purchase Documents (until sold/matured)  
 IRS Audit Results  
 Journals  
 LIFO Inventory Index Computations  
 LIFO Inventory Reserve Computations  
 Minute books of directors, stockholders, bylaws, and charter  
 New Car Sales Journal  
 Papers Pertaining to Litigation  
 Patents & related papers  
 Property appraisals by outside appraisers  
 Property records, including costs, depreciation, reserves, year-end trial balances, depreciation schedules, blueprints, & plans  
 Retirement & pension records  
 State Annual Reports  
 State Franchise Tax Returns  
 Tax returns & worksheets, revenue agents' reports, and other documents relating to determination of income tax liability  
 Trademark registration and copyrights  
 Training manuals  
 Underground Storage Tanks (testing results & DEP correspondence)  
 Union agreements  
 Used and Repossessed Car Journal

### No Requirement

Buyer's Guide - used car label\*

\* These items are ordinarily in the car deal jacket. Each item has its own retention requirements, however, unless the dealership wants to strip the file as needed, the entire car deal jacket should be kept for 10 years to ensure items with the longest retention requirement are retained. Contracts performed over time (i.e., retail installment contracts) should be kept 10 years past expiration.

## Scanning and Retaining Documents in Deal Jacket

Dealerships are able to scan and archive everything contained in a deal jacket for document retention but must comply with PennDOT requirements.

**Paper records of PennDOT documents must be maintained for the first 6 months.** After that time, a dealership is able to discard the paper PennDOT documents, retaining the scanned documents.

Requirements for scanned documents include:

- The images must be easily accessible and available at the location where the transaction was completed.
- All records must be accessible during regular business hours.
- Copies must be clear and must be a minimum of actual size.
- Authorized Agents must follow regulations as to issuance/filing of documents.
- Authorized Agents must have all supporting documents with the MV-1/MV-4ST/applicant summary sheet.

### Key retention periods include:

<b>PennDOT/Business Form</b>	<b>Retain For</b>
MV-1	3 years
MV-4ST	3 years
Intransit Summary Card	3 years
MV -390 (top portion window permit)	3 years
MV-27(A) and (B)	1 year
MV-431 (inspection log)	From audit period to audit period
Notary Documents and logs	Indefinitely
Titles	5 years
Odometer Disclosure (Title/MSO)	5 years
Secure Power of Attorney	5 years
* Deal Jacket	10 years
Installment Sales contract	10 years
MV- 355	6 months or 3 years
<i>NOT PERMITTED TO BE SCANNED</i>	- for tracking mileage on demo or free service loaners

\* The Deal Jacket contains many items, each with its own retention requirements. Unless the dealership wants to strip the file as needed, the entire car deal jacket should be kept for 10 years to ensure items with the longest retention requirement are retained. Contracts performed over time (i.e., retail installment contracts) should be kept 10 years past expiration.

In addition, the PennDOT scanned images must be available to be retrieved (indexed) under the following categories:

- Plate number;
- Date order;
- Customer name;
- VIN number;
- Title number; and
- Work Identification Number (WID), if applicable.

The authorized agent should check all imaged documents to confirm that the images are clear, legible and free of distortion (image quality).

PennDOT will continue to conduct administrative audits of the Authorized Agents transaction and supporting documentation.

Authorized agents will need to provide access to the electronic images to PennDOT representatives for review during the audit process.

See PAA News Bulletin No. 22 (11/29/2022) for record retention timeframes.

### **Macrosmith Electronic Document Management**

When the dealership evaluates a scanning/imaging company, it is important to ensure that the company's program is capable of satisfying all of the PennDOT requirements.

For dealerships interested in storing documents electronically, PAA's preferred partner is Macrosmith Electronic Document Management. Macrosmith offers a free evaluation, a perpetual contract that can be terminated at any time, and a fixed price per month, no matter how many documents are scanned.

For more information, contact [amitchell@paa.org](mailto:amitchell@paa.org).