

RECORD RETENTION GUIDE FOR MASSACHUSETTS AUTO DEALERS



This guide lists both mandatory document retention periods and guidelines for prudent practice regarding records for which there is no specific legal requirement. Legally mandatory retention periods are those marked with an asterisk (*). It should be remembered, however, that these are minimum required periods. In some cases, sound practice requires preserving such records for a longer time, while there may be other cases in which they may be disposed of as soon as is permitted.

This guide is intended to serve as a tool to assist in fashioning a document retention policy. Dealers are encouraged to consult with their accountant or legal counsel to ensure their policy and practices are appropriate.

MASSACHUSETTS TAX RECORDS

State Tax Returns	Permanent
Sales tax exempt certificates	7 years
Massachusetts sales tax records	4 years
Employer tax deposit records	5 years
Payroll records showing amounts and dates of pay, any deductions, or bonuses, and taxes withheld	5 years*
W-2 and W-4 forms	5 years*

EMPLOYMENT RECORDS

Immigration (INS Form I-9)	3 years after hiring, or 1 year after termination
Employer sponsored group health plan records required under HIP-PAA relating to the privacy of employee medical information	6 years*
Employee applications (not hired)	1 year*
Employee handbook	Permanent
Pension and retirement records	7 years after employee leaves plan
Personnel files	3 years after termination
Record of name, address, date of birth, social security number, occupation, and period of employment for all employees	5 years
Required employee notifications	Permanent
Time cards or time sheets	7 years
Unemployment Insurance records	7 years
Worker's Comp claims and related documents	7 years



MASSACHUSETTS RECORD RETENTION GUIDE (CONTINUED)

FEDERAL TAX AND IRS RECORDS

NOTE: The Internal Revenue Code requires you to keep “records appropriate to your trade or business” and to keep such records for so long as they “may become material in the administration of any internal revenue law.” The general limitation period for an IRS audit is three years, but this is extended to six years in cases of serious tax misconduct. Prudent practice, therefore, requires keeping all records necessary to document tax returns and schedules for a minimum of six years. As a general rule, no records relating to federal or state taxes should be disposed of “automatically” pursuant to a schedule or policy. Instead, tax records should only be disposed of after an affirmative decision to do so by the person responsible for tax audits, such as the dealer’s CFO or accountant.

Depreciation schedules and backup	7 years after disposition of asset
Filed tax returns, schedules, statements, and supporting documentation	Permanent
Other tax records	3 years after filing*
Tax files material to the administration or enforcement of IRS law	Permanent
Employment withholding tax records	4 years*
Medicare and FUTA taxes	4 years*
FICA (Social Security) wage records	4 years*
W-2 forms	4 years*
W-4 forms	4 years*
Forms 8300 (cash transaction reports)	7 years*
1099 forms	5 years*
Excise tax returns, schedules, statements, and supporting records and documentation	3 years*
Excise tax - gross vehicle weight and serial numbers for trucks, tractors, and trailers sold	3 years*
Records of taxable or tax-free transactions	Permanent



MASSACHUSETTS RECORD RETENTION GUIDE (CONTINUED)

RECORDS REQUIRED BY THE FAIR LABOR STANDARDS ACT

Employee's name, DOB, gender, occupation	3 years*
Rate of pay and method of calculation	3 years*
Hours worked each week	3 years*
Regular and overtime pay each week	3 years*
Withholding and bonuses	3 years*
Time Cards	2 years*
Records of wage assignments or garnishments	2 years*

FAMILY AND MEDICAL LEAVE ACT RECORDS

All FLMA records	3 years*
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OSHA RECORDS

All OSHA records and correspondence (including the log and summary of all occupational injuries and illnesses)	5 years*
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DEPARTMENT OF TRANSPORTATION RECORDS

Odometer mileage disclosures	5 years*
Tire purchase records (name, address of purchasers and tire I.D. nos.)	3 years*
Gray market importers - certificate of conformity	8 years*
Gray market importers - all records regarding purchase, transport, modification, and testing	8 years*

ENVIRONMENTAL RECORDS

Massachusetts DEP and federal EPA environmental records, manifests and receipts	Permanent
Freon - a record of every instance in which Freon is recovered from a vehicle	3 years*
Gray market importers - all records of purchase, importation, modification, testing, and certification	Permanent



MASSACHUSETTS RECORD RETENTION GUIDE (CONTINUED)

GENERAL BUSINESS RECORDS

Accounts receivable and payable	7 years
Accident reports/claims	7 years after settled
Audit reports	7 years
Bank deposit slips	7 years
Bank reconciliations and canceled checks	7 years
Brokerage statements and stock transaction records	Permanent
Appraisal and valuation reports	7 years
Contributions to charities and nonprofit organizations	7 years
Corporate books, records, and stock transactions	Permanent
Correspondence (legal and important matters)	7 years
Contracts, notes, and leases	7 years after expiration
Evacuation and emergency plan	Permanent
Insurance policies and certificates, including proof of Workers' Compensation coverage from vendors and contractors	Permanent
Journals and ledgers	Permanent
Safeguard Policy (document safeguard plan required by FTC)	Permanent*



MASSACHUSETTS RECORD RETENTION GUIDE (CONTINUED)

AUTOMOTIVE BUSINESS RECORDS

Advertising copy - tear sheets	2 years
Air bag repairs, activation and deactivation records	Permanent
Bills of lading, copies	7 years
Consumer credit applications and credit reports	5 years*
Customer buyer's order or contract, when sale not completed	1 year
Deal jackets	7 years
Dealer swap transactions	7 years
Demo vehicle file	7 years
Financing dealer agreements	5 years after expiration
Parts tickets	2 years
Repair orders and estimates	2 years
Temporary Resignations - dealer copies for both in and out-of-state temporary registrations	3 years*
Warranty, incentives, and rebate submission documents	7 years
Odometer Disclosure Statements, POAs	5 years

PROPERTY/FACILITIES RECORDS

Appraisals	Permanent
Blueprints, plans, drawings	Permanent
Deeds, titles, mortgages	Permanent
Maintenance and improvement records	Permanent
Depreciation schedules and supporting documentation	7 years after asset disposition
Property tax records	Permanent