



2024 RECORD RETENTION GUIDE FOR NEW JERSEY 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. **Page 5 contains the recordkeeping requirements of the new FTC CARS Rule. There will be further information provided concerning these new requirements. If there is conflict between similar provisions, the higher term governs.**

NEW JERSEY TAX RECORDS

State tax returns	Permanent
Sales tax exempt certificates	7 years
New Jersey 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 (<i>INS Form I-9</i>)	As long as employed, then after termination for 3 years after hiring, or 1 year after termination, whichever is longer*
Employer sponsored group health plan records required under HIPAA relating to the privacy of employee medical information	6 years *
Employment applications (<i>not hired</i>)	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
Records documenting earned sick leave used, paid, and carried over	5 years
Unemployment Insurance records	7 years
Worker's Comp claims and related documents	7 years

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 (<i>Social Security</i>) wage records	4 years *
W-2 forms	4 years *
W-4 forms	4 years *
Form 8300 (<i>cash transaction reports</i>)	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

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 FMLA records	3 years *
OSHA RECORDS	
All OSHA records and correspondence (<i>including the log and summary of all occupational injuries and illnesses</i>)	5 years *
DEPARTMENT OF TRANSPORTATION RECORDS	
Odometer mileage disclosures	5 years *
Tire purchase records (<i>name, address of purchasers and tire I.D. nos.</i>)	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	
New Jersey 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
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 cancelled 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 (<i>legal and important matters</i>)	7 years
Contracts, notes, and leases	7 years after expiration
Evacuation and emergency action plan	Permanent

Insurance policies and certificates, including proof of Workers' Compensation coverage from vendors and contractors	Permanent
Journals and ledgers	Permanent
Safeguard Policy (<i>document safeguard plan required by FTC</i>)	Permanent *

AUTOMOTIVE AND FINANCE BUSINESS RECORDS

Advertising copy (⁺⁺ <i>clock starts from the date of sale of an advertised vehicle</i>) (See FTC CARS Rule Below)	180 days* ⁺⁺
Air bag repairs, activation and deactivation records	Permanent
Bills of lading, copies	7 years
Consumer credit applications	25 months * (<i>even when there is no purchase</i>)
Privacy Notices	2 years
Adverse Action Notices (<i>when required</i>)	5 years
Risk Based Pricing Notices	5 years
Credit Reports	5 years
ECOA-Fair Credit Compliance records	5 years
Safeguards Rule Policy and Compliance Records	Permanent
Red Flags Rule Policy and Compliance Records	Permanent
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
eTemp Registrations – voided 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
ECOA Compliance Program Records	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

FTC CARS RULE RECORDKEEPING REQUIREMENTS	<i>Effective July 30, 2024</i>
Copies of materially different advertisements, sales scripts, training materials, and marketing materials regarding the price, financing, or lease.	24 months from the date the record is created*
Copies of all materially different add-on lists and all documents describing such products or services that are offered to consumers.	24 months from the date the record is created*
Copies of all purchase orders; financing and lease documents with the dealer signed by the consumer, <i>whether or not final approval is received for a financing or lease transaction.</i>	24 months from the date the record is created*
Copies of all written communications relating to sales, financing, or leasing between the dealer and any consumer who signs a purchase order or financing or lease contract with the dealer.	24 months from the date the record is created*
Copies of records demonstrating that add-ons in consumers' contracts provides a benefit, including copies of all service contracts, GAP agreements, and calculations of loan-to-value ratios in contracts including GAP agreements.	24 months from the date the record is created*
Copies of all <i>written</i> consumer complaints relating to sales, financing, or leasing, inquiries related to add-ons, and inquiries and responses about vehicles.	24 months from the date the record is created*