Record Keeping

For a Small Business

FDIC
Money Smart

SBA

Welcome

1. Agenda

2. Ground Rules

3. Introductions

Objectives

- Explain the concept of record keeping and its importance to small businesses

- Identify record keeping practices, rules, and tools commonly available to small businesses

- Explain how record keeping practices, rules and tools work

Objectives

- Identify benefits a small business derives from proper record keeping

- Explain record keeping basics for a small business

- Identify software products available for small business record keeping

What Do You Know?

What do you know or want to learn about record keeping?

Introduction

Record keeping important for small businesses

- Sole proprietor
- Partnership
- Corporation

What is Record Keeping?

- Orderly and disciplined practice of storing business records
- Ranges from simple (manila folder) to complex (online electronic filing)
- Provides fast retrieval of records
- Updated on a on-going basis

Remember – Keep good records, both business and personal

Why is Record Keeping Important?

- Business Operations
  - Tracking details
  - Planning
- Legal
  - Contracts
  - Licenses and permits
  - Payroll and personnel
- Federal, State, and Local Taxes

Business Operations, Tracking Details

- Customer records
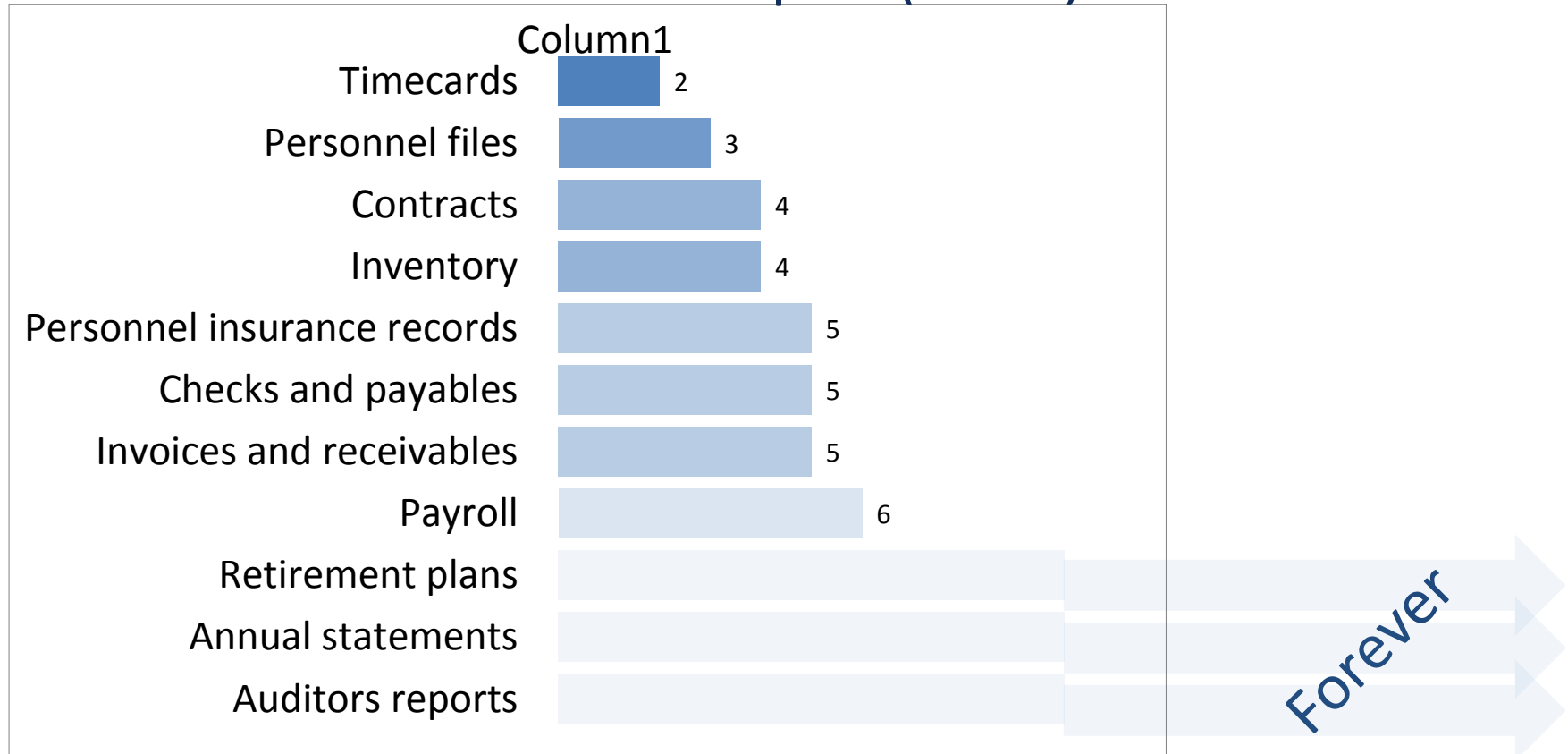- Sales records
- Correspondence
- Inventory

Discussion Point #1: Your Record Keeping

Discuss your business record keeping practices.

1. Identify detail records you already keep.
2. Identify planning records you already keep.
3. Identify legal records you already keep.
4. Identify tax records you already keep.

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5. Think more about your record-keeping.

- Are there records you don't need to keep? Why not?

- Did we miss any records that you currently keep?

- Are there records that need to be added to the list?

- What area of record-keeping needs your attention?

Record Retention

Examples (Years)

Column1

Record Type	Years
Timecards	2
Personnel files	3
Contracts	4
Inventory	4
Personnel insurance records	5
Checks and payables	5
Invoices and receivables	5
Payroll	6
Retirement plans	Forever
Annual statements	Forever
Auditors reports	Forever

Record Keeping Tools

- Simple "paper tools"
- "Tickler" system
- Computer systems
- Cloud computing
  - Accounting
  - File hosting

Use what works best

Simple "Paper Tools"

- File folder
- Hanging folder
- Cabinet storage
- Accordion folder

"Tickler" System

- Use a tickler system to remind you of upcoming events such as:
  - Quarterly taxes
  - License renewals
  - Insurance reviews and renewals
  - Upcoming bills
  - Call-backs

Computer Systems

- In addition to paper tools
- Takes less space than paper
- Faster and easier – Internet transmission
- Many businesses and government agencies allow use of Internet
- Learn and grow into computer systems over time
- Be sure to BACK UP files daily
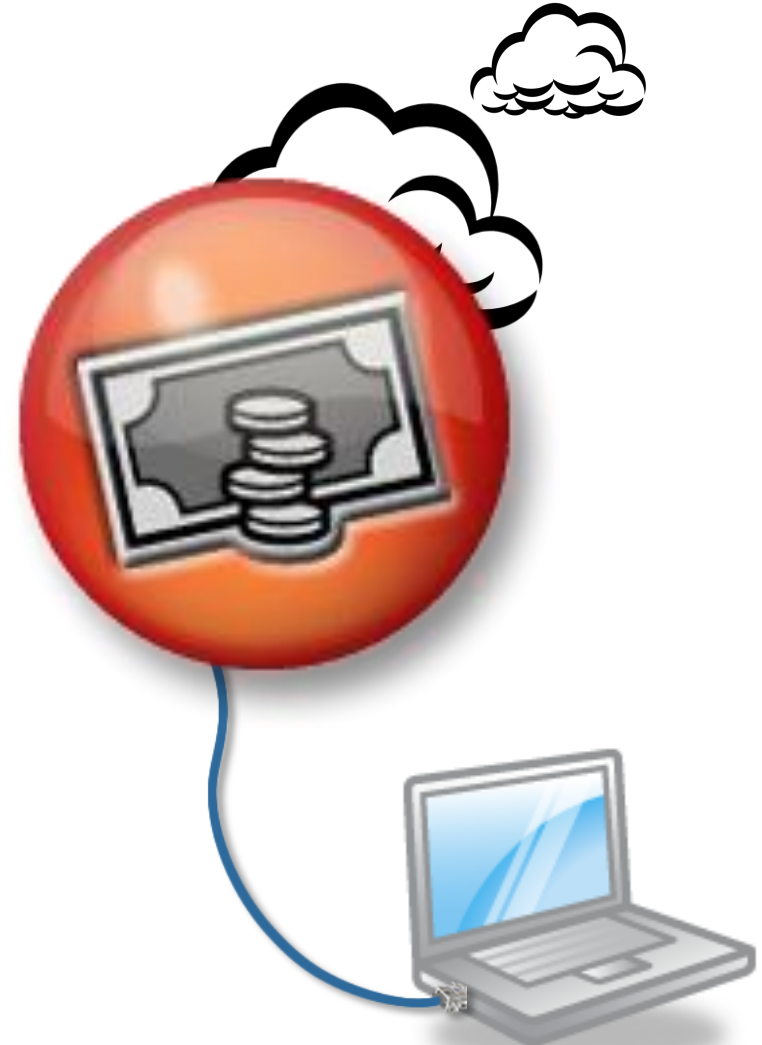
Cloud Computing

Use the Internet to store, manage, and process data (vs. your own personal computer).

Cloud Computing, Accounting

- Offered by accounting software companies
- No need to buy software upgrades
- No loss of data when computer crashes
- Access data from anywhere

Cloud Computing, File Hosting

- Share with colleagues or clients

- Share large files

- No loss of files when computer crashes

- Accessible from anywhere

- Free and fee-based options

Business Software

- Evaluate business needs
- Many software products available
  - Spreadsheets
  - Email
  - Accounting

AND / OR

Business Software, Evaluate Business Needs

- Inventory tracking?
- Manufacturing
- E-commerce?
- Multiple users?
- Industry specialization?
- Online options?
- Anything else?

Business Software, Email

- Communicate with clients, employees, suppliers, vendors, contractors, etc.
- Use "local" computer or webmail
- Keep good records by creating email filing system

Business Software, Spreadsheets

- Track information such as clients, inventory, sales, employee time sheets, etc.

- Matrix of rows and columns

- Frequently used for financial "what-if" scenarios

Business Software, Accounting

- Track business financial records such as sales, expenses, inventory, and assets

- Many advantages
  - Reduced errors
  - Faster
  - Inexpensive
  - Better organization
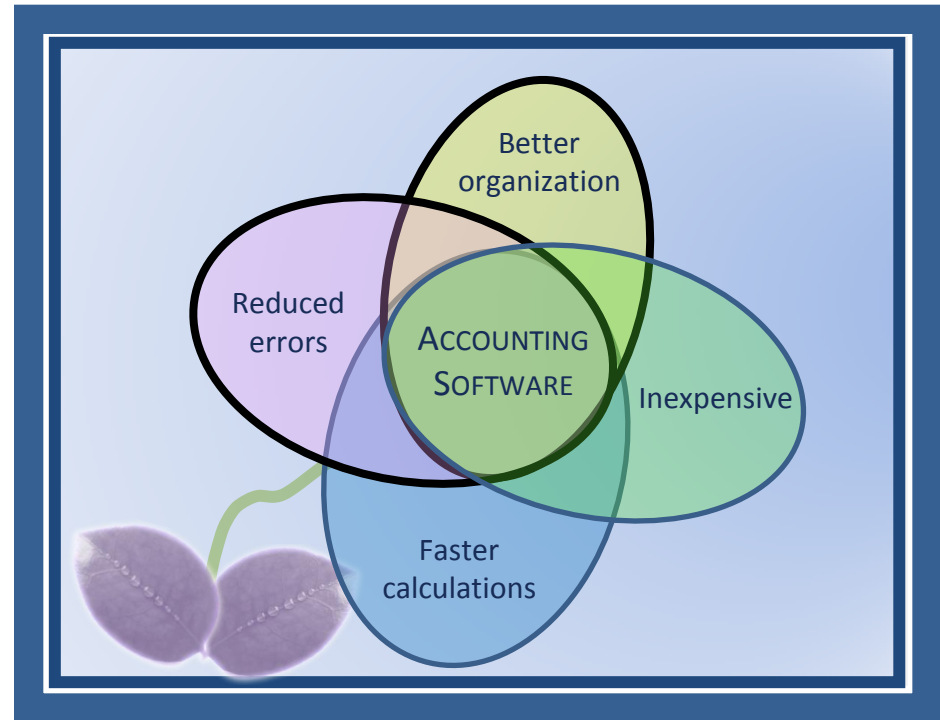
Discussion Point #2: Accounting System

Take some time to think about your accounting system.

- Describe it.
- How might it be improved?
- What specific improvements are you thinking about?

Business Software Training

- Tutorials and free trials
- Online software training and webinars
- YouTube
- SBA Resource Partners – SCORE, Small Business Development Centers, Women's Business Centers, US Export Assistance Centers, Veterans Business Outreach Centers
- Community Colleges
- Accountants
- Bookkeepers and Consultants

Start now with something that works

Start Now

Refine as business grows

Key Points to Remember

- Use record keeping tools that work for your business type, size, and complexity

- Evaluate your business needs before purchasing business software

- Again – START NOW

Summary

- What final questions do you have?

- What have you learned?

- How would you evaluate the training?

Conclusion

You learned about:

- What record keeping is and how it's important
- Record keeping basics – practices, rules, and tools
- Which records to keep – tracking, planning, legal, and taxes
- Benefits of record keeping
- Business software available for record keeping
- Business software training