Information Your Small Business Needs To Maintain

Most small business CEOs are now knee deep in preparing their tax filings. I hear from several frustrated folks that they wish they knew what records that they absolutely need to maintain. So today’s column will give some reminders.

One of the most important administrative responsibilities small business owners face is keeping accurate and current records. Not only is it critical for assessing opportunities and risks that can affect your company’s profitability and potential for growth, it’s also necessary for ensuring legal and regulatory compliance.

Regardless of the type of business you’re running, record keeping comes with the territory. Some types of documentation and information are required for all businesses and others may or may not be necessary depending on your industry.

Here’s a list of some commonly required records businesses need to maintain. While this list is not all-inclusive, it will give you a good idea of the basic items you need to track and keep in your possession.

- **Accounting records**
  - Expenses
  - Income
  - Invoices
  - Customer payments and transaction records
  - Tax filings (annual, quarterly, and monthly if applicable)
  - Bank and credit card statements

- **Contracts** (with clients, vendors, partners, etc.)

- **Purchase orders**

- **Licenses and permits**
• Employment applications

• Vehicle mileage logs

• Articles of Incorporation or Certificate of Organization (depending on your business’s legal structure)

• Operating Agreement

• Annual Meeting minutes

• Trademark, service mark, and patent registrations

• Inventory logs

Without a doubt, there’s a lot to stay on top of as a small business owner. To help prevent important details from slipping through the cracks, you need to stay organized and educate yourself about what information and documentation you need to keep.

Software programs (such as accounting tools, sales and customer relationship databases, inventory software, etc.) alleviate some of the work, but remember they all require some manual attention to make sure information is logged and entered correctly. If information is missing or inaccurate, you (not your software) are ultimately responsible for the integrity of your records.

Also make sure you back up your digital data. Many cloud-based software applications provide backup of the data you’ve entered, but your computer files (Word documents, Excel files, etc.) should be backed up, too. Consider backing up your data on an external hard drive and through a cloud-based data backup service such as Carbonite, CrashPlan, SugarSync, or one of the many others available.

Consulting with professionals who specialize in taxes, accounting, and business law can also help ensure you meet regulations and requirements. If you find it difficult to dedicate time to maintaining good records, you might also consider transferring some
routine record keeping tasks to a trusted and capable bookkeeper, virtual assistant, or a consultant. For help knowing where to look and what questions to ask when locating reputable professionals in your community, consider asking a SCORE mentor at your local chapter, your local chamber of commerce, or business colleagues for advice.

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