

Center for
Technology
& **Business**

RITTER ADAIR
& ASSOCIATES PC

RECORD KEEPING

Deb Eslinger, Executive Director
Center for Technology & Business

*Special thanks to
Laura Adair, CPA
Ritter Adair & Associates, PC*

Record Keeping

- Why keep records?
- Types of record keeping systems
- Documentation
- Government reporting

Why Keep Records?

- Determine if profitable
- Revenue and expense budgeting
- Banks – financial statements
- Income tax returns (tax deductions)
- IRS audit

Types of Record Keeping Systems

- Keep business and personal records separate
- Manual (checkbook, paper systems)
- Computerized bookkeeping systems

Accounting Software

- Select software that suits your business.
 - Review pricing
 - Ability to operate
 - Software capability

Accounting Software

- Receive training
- Common packages
 - QuickBooks
 - Quicken
 - Peachtree
- Setup for your business
- Accounting modules

Reconciling

- Bank statements
- Credit card statements
- Income and expenses

Payroll and Payroll Taxes

- Payroll withholding and taxes
 - Federal and state income tax withholding
 - FICA and Medicare taxes
 - Federal and state unemployment
 - Workers compensation insurance
- Government reporting
- Penalties for errors can be high

Documentation

- Documentation should be maintained and kept organized
 - Customer invoices
 - Vendor invoices and statements
 - Receipts
 - Bank statements
 - Financial reports

Travel Expenses

- Out of town travel
 - Transportation is deductible if trip is primarily for business.
 - Direct business expenses are always deductible.
 - Spouse and children travel are not deductible unless direct business purpose.
 - Meals – actual expenses or per diem based on location(Must include an overnight stay)

Business Meals – In Town

- Cannot use per diem
- Documentation
 - Amount of expense
 - Time and place
 - Business purpose
 - Individuals in attendance

Vehicle Expenses

- Standard mileage – \$0.55 per mile for 2012
- Actual expenses (gas, maintenance, insurance and depreciation)
- Keep mileage log book
- Commuting from home to business is not deductible

Government Reporting

- Employer identification number – SS4
- State registration
- W-2's and payroll reports
- 1099's
- Sales Tax

QUESTIONS??

Contact **Deb Eslinger**
deb@trainingnd.com
701-223-0707

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