

## Checklist - Key Record Keeping

**1. Select a travel and entertainment record-keeping method you will use.** Choose a record-keeping format that will allow you to record all the necessary information to back up your travel and entertainment deductions. For meals and entertainment expenses, be sure to note:

- A. The date and place of the meeting.
- B. The names of those you met with, including their company
- C. The purpose of the meeting-what was discussed, what you wanted to accomplish.
- D. The cost of the expense.

**2. Note your car's odometer.** If you use your personal car for business travel, you need to record your business mileage for each trip. This is so whether you claim deductions based on the IRS standard mileage rate or your actual expenses. Jot down your odometer's reading at the start of the year to get you going.

**3. Adopt a storage system for receipts.** In addition to noting the dollar amount of income and expenses, you also need these supporting documents

- A. Canceled checks.
- B. Deposit slips.
- C. Invoices.
- D. Paid bills.
- E. Petty cash slips
- F. Sales slips

**Note:** Over the course of a year, these items can pile up and overwhelm you unless you have a storage system in place. Decide now how you'll file away these important papers. Depending on the size of your business (and the number of receipts), find a convenient way to keep these papers. *Alternatives:* Store by separate accounts (e.g., receipts for supplies)?chronologically, using file folders, expandable folders, or other methods.

**4. Learn your tax record-keeping duties.** If you don't know exactly what you need to keep, see IRS Publication 583, *Starting a Business and Keeping Records*, at [www.irs.gov](http://www.irs.gov).