

## RECORDKEEPING HINTS AND REMINDERS

### INCOME

- Keep your paystubs. Prepare an envelope or folder for each employer for whom you work during the tax year. Your paystubs contain valuable information not found on your W-2's and 1099's such as union dues deducted, state disability deductions, medical insurance premiums deducted, per diem paid, etc. If you receive a check with no stub, record the information on a piece of paper and file the paper in its place.
- Keep a log of all income received to reflect gross income/wages, payroll taxes withheld (by type) and other deductions, net income. Also keep a log of cash income.
- Keep foreign income separate from domestic income.
- Keep W-2 income separate from 1099/fee income.

### DEDUCTIONS – **CREDIT CARD STATEMENTS ARE NOT ENOUGH**

- Keep an envelope or folder for each category of tax deductible expense you incur during the tax year. Prepare the envelope/folder at the beginning of each year so you may put the receipts in the proper folder as you receive them. Your folder can be electronic if you prefer electronic storage to paper records.
- Keep a log of all expenses for which you receive no receipt. Get a receipt.
- Keep a log of your local transportation detailing the date, where you are traveling from, where you are traveling to, the business purpose of the trip and the cost (including tip).
- Keep a mileage log if you use your automobile for business. The log should include the date, business purpose/destination, beginning odometer reading, ending odometer reading, miles traveled and actual expenses.
- Keep a log of your business gifts including the date, name and business relationship of the colleague and cost (up to \$25 per person/per year) of the gift.
- Keep a log of your out of town travel including the date departed and date returned, number of days spent, business destination, business purpose and cost of the travel. If you are using the standard meal allowance (you must generally use actual expenses for all other travel expenses) document the date, place and business purpose.
- Keep a log of your entertainment expenses including the amount spent, date of the entertainment, name/address of location, business reason, and business relationship.
- If you use PayPal, Venmo, Zelle or other payment apps for either receiving or making payments, be sure to download transaction reports or have other adequate records (i.e., bank statement entries for Zelle) to show your activity.
- **YOU MUST KEEP RECEIPTS FOR YOUR DEDUCTIONS. CREDIT CARD RECORDS ARE NOT SUFFICIENT DOCUMENTATION.**

In doubt? Think about proving: Amount, Time, Place, Description, Business Purpose, and Business Relationship