

# Stephen A. Macy, CPA, PA

## Basic Filing System & Computer Data

Many of our clients have asked from time to time how to set up their recordkeeping systems. Here are some suggestions to assist you in setting up and maintaining a fairly simple system for your business.

### **Basic Filing System**

You should have two sets of files as follows:

Permanent Files. Never archive these files because you may need to refer to them over several years or they may be needed for taxing authority audits, etc.

Annual Files. Archive these once a year into storage (in labeled boxes or computer folders). They will generally only need to be referred to during a fiscal year you are operating in. After that, they should be kept together in case they are needed for tax audits or other legal purposes.

The above sets of files should consist of:

#### Permanent Files

- § Corporate record book
- § Titles to all assets that are titled
- § Invoices for all fixed assets (furniture, equipment, and machinery regardless of when purchased)
- § Leases
- § Insurance policies
- § Mortgage documents
- § Loan documents
- § Contracts and agreements
- § Federal income tax returns
- § State income tax returns
- § Intangible tax returns
- § Tangible tax returns
- § Corporation annual reports
- § Financial statements
- § Legal and/or accounting correspondence
- § Employee records
  - § Applications
  - § Reviews
  - § W-4s
  - § I-9s
  - § Correspondence
  - § Records of pay changes
- § Any other document that may be applicable to ongoing operations
- § Subcontractor agreements with W-9s
- § Unpaid vendor invoice files
- § Vehicle maintenance logs
- § Promissory notes between the company and any of its owners (with payment records)
- § Bank resolutions and signature card information

# Stephen A. Macy, CPA, PA

## Basic Filing System & Computer Data

### Annual Files

- § Sales invoices
- § Sales tax reports
- § Employee earnings records, time cards, and attendance records
- § W-2s, payroll reports for each quarter, payroll tax deposits, and 1099s
- § IRS correspondence relating to above
- § Paid invoice files (alphabetical by vendor and/or A -Z miscellaneous)
- § Cancelled checks (kept with the bank statements they came with)
- § Deposit tickets and receipts
- § All bookkeeping records, including general ledger, disbursement journals, sales journals, and general journals
- § Any other files that generally relate only to the current year's operations

The above sets of files should be maintained for various periods of time even after they have expired or no longer are applicable. Please refer to our records retention list for guidelines as to when you can destroy these files.

### **Computer Data**

Be sure to back up your data files at least daily. It is a good idea to do a complete system backup at least once a week and store this valuable backup away from your business in a safe place.

Always make sure you have an uninterrupted power supply (UPS) to stop power surges and minimize potential damage from lightning strikes here in Florida.

**Please let us know if you need assistance in any of these areas.**