

Business Documentation Simplified

Does the thought of business documentation sound tedious to you?

You are not alone. Few business owners enjoy the idea of documenting their business details. Yet everyone knows good record keeping is important to a healthy business.

Have you stopped to think about why it is so important?

The obvious answer is tax records. With adequate business records tax deductions, and the resulting savings, can be outstanding.

There is another, less thought about, reason why documentation is so critical – protection!

The percentage of small business lawsuits continues to increase. Everyone hears horror stories, but those (so far) are the 'other guy.' There are too many cases where business owners and clients become friendly, and then at the least little problem the business owner finds himself in court. More often than not, documentation has made all of the difference.

Even if you are blessed with asset protection, writing things down is important.

Good record keeping does *not* mean pages of detailed journal entries. Simple notations are acceptable.

An example would be 1:00 on 3/1, met with John D. who did not like property at 123 B St and made threats or 10/2 a.m. Sue Q. promised \$10K in advance.

These notations can be written in your datebook, on your smart phone or even on a sticky note pad. Many attorneys and accountants recommend having one place, like a manila envelope to put all of those pieces of paper in.

In some states, the legal system considers documentation written on paper towels with crayon as accepted evidence in court hearings regarding foster care children. The attitude is that the poorest notation is better than the best memory.

With this encouragement take the few extra minutes and do your paper work. It is good insurance.