



## Small Business Recordkeeping Guidelines

### **Business Formation Documents** (retain in paper or electronic form with a secure backup):

- IRS Form SS-4, aka the business's EIN letter
- Company Operating Agreement
- Company Articles of Incorporation
- Certificate of Organization from the State Corporation Commission
- Fictitious Name Certificate from the State Corporation Commission
- Record of Registered Agent
- Contracts between partners in the business or email record of informal agreements between partners
- SAM.gov unique entity identifier (UEI) or Federal grants, contracts, loans
- SWaM Certification (if applicable), also Federal equivalent
- Sales & Use Tax number for applicable states and tax exemptions
- Confirmation of registration for employee withholding and unemployment tax accounts
- Local business licenses, as applicable
- Confirmation for registration for state tax withholding account and unemployment insurance account

### **Records of Income and Expenses** (retain 7 years plus the current year in paper or electronic form, or within bookkeeping system, with a secure backup):

- Gross receipts
  - POS reports
  - Cash register tapes
  - Deposit information
  - Receipt books
  - Invoices
  - Forms 1099-MISC, 1099-NEC, and 1099-K
- Purchases (for Cost of Goods Sold)
  - Cancelled checks or paid receipts
  - Cash register tape receipts
  - Credit card receipts and statements
  - Invoices from vendors
- Operating Expenses
  - Canceled checks or other documents reflecting proof of payment/electronic funds transferred
  - Cash register tape receipts
  - Credit card receipts and statements
  - Invoices from vendors

**Employee Documents** (retain 3 years plus the current tax year in paper, electronic, or within payroll system or Human Resource Information System [HRIS]):

- A completed annual form W-9 for each 1099 contractor
- Amounts and dates of all wage, annuity, and pension payments
- Amounts of tips reported to you by your employees
- Record of all allocated tips
- The fair market value of in-kind wages paid
- Names, addresses, social security numbers, and job titles of employees
- Any employee copies of Form W-2 and W-2c returned to you as undeliverable
- Dates of employment for each employee, copies of offer letters and termination letters and confirmations of receipt
- Periods for which employees and recipients were paid while absent due to sickness or injury and the amount and weekly rate of payments you or third-party payers made to them
- Copies of employees' and recipients' income tax withholding certificates (Forms W-4, W-4P, W-4S, and W-4V)
- Dates and amounts of tax deposits you made and acknowledgment numbers for deposits made by EFTPS
- Copies of returns filed and confirmation numbers
- Records of fringe benefits and expenses reimbursements provided to your employees, including substantiation.
- Timesheet records for nonexempt employees
- Signed receipt of employee handbook from all employees
- Garnishment orders and payment records, as applicable
- I-9 records and eVerify records, as applicable
- New hire state filings, as applicable

**Travel, Transportation, Entertainment, and Gift Expenses** (retain in paper or electronic form, or within bookkeeping system, with a secure backup):

- Business mileage logs if using personal vehicle for the business
- If you deduct travel, entertainment, gift, or transportation expenses, you must be able to prove (substantiate) certain elements of expenses. See [IRS Publication 463, Travel, Gift, and Car Expenses](#)

**Assets** (for source documents, check purchase and sales invoices, real estate closing documents, canceled checks or other documents that identify payee, amount, and proof of payment/electronic funds transferred):

Fixed (or depreciable) assets are property, such as machinery and furniture, that you own and use in your business. Retain the following information:

- When and how you acquired the asset
- Purchase price
- Cost of any improvements

- Section 179 deduction taken, if applicable
- Deductions taken for depreciation
- Deductions taken for casualty losses, such as losses resulting from fires or storms
- How you used the asset
- When and how you disposed of the asset
- Selling price
- Expenses of sale

**Resources:**

[IRS Publication 583, Starting a Business and Keeping Records](#)

[Common questions about recordkeeping for small businesses](#)

[IRS Recordkeeping for Employers](#)

[IRS Publication 15, Circular E Employers Tax Guide](#)

Revised July 2023  
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