

Hey, you run a restaurant; there are a lot of hands on things to deal with every day and paperwork is something left for quieter times, say after the patrons have left and the kitchen has been scrubbed down for the night. Yeah, right. When does that down time actually happen? But poor records can cost you time and money in the long run when it comes to handling your taxes, your restaurant insurance and paying bills and payroll. So taking a bit of time to make a plan about how you organize your paperwork is worth the small investment of time. The following are 3 tips that the IRS has for small businesses regarding record keeping for easier tax filing. I hope you find this information helpful.

Save Certain Business Records – The following are some of the types of records that you should keep:

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Gross Receipts – This is the income that you receive from your business. You should keep supporting documents that show the amount and the sources of your gross receipts.

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Purchases – These are items that you buy and resell to customers – primarily food costs and alcohol costs for most restaurants. You should keep supporting documents that will show how much you paid for each item or group of items.

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Expenses – These are the costs you incur, outside of purchase listed above, to carry on your business. The documentation that you keep should show amount you paid and that the expense was a business expense.

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Assets – This is property, such as equipment and real estate as well as intangibles. You will need clear records of your costs for these assets so that you can compute annual depreciation and the gain or loss on each item when you sell them.

Keep Employment Records – There are a number of employment related records that you will need to maintain as available for IRS review at some point in the future. They include the following:

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Your Employer Identification Number

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Amounts and dates of all wage, annuity, and pension payments as well as records on costs of health insurance or other benefits that you provide to your employees.

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Amounts of tips reported

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The fair market value of in-kind wages paid

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Names, addresses, social security numbers, and occupations of employees and recipients

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Any employee copies of form W-2 that were returned to you as undeliverable

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Dates of employment

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Periods for which employees and recipients were paid while absent from the job due to injury or sickness and the amount and weekly rate payments you or third party payers made to them

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Copies of employees' and recipients' income tax withholding allowance certificates

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Dates and amounts of tax deposits made by you

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Copies of tax returns filed

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Records of allocated tips, and

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Records of fringe benefits provided, including substantiation of these benefits

Store and Organize Your Records – The IRS advises that business owners should generally

keep all employment related tax records for at least 4 years after the tax is due, or after the tax is paid, whichever is later. The length of time that you should keep other documents depends on the action, expense, or event that the document records. For more detailed information about IRS rules and recordkeeping, please consult your tax attorney, your accountant or visit the [IRS online](#) .

Keeping good records will also help with insurance issues such as your annual workers compensation or general liability insurance policy audits. In addition, should you experience a property loss, these records may help to speed the insurance claims process. Of course no record keeping discussion is complete without the caveat that your records should be backed up and the back up kept off premises from your original files.

Should you need any help with your restaurant insurance needs, I hope that you will call us, toll free, at 877-687-7557 or visit us on the web at www.TheRestaurantInsuranceStore.com .