



## Do I really have to keep these receipts?

Yes. Next?

In all seriousness, you need to keep copies of those receipts, but you have options for how to do it. The most important thing to remember is that bank statements and credit card statements are viewed as "secondary level" evidence of transactions. Translation: The IRS will not be happy if you try to hand them statements as proof of your expenses. So let's find a way to save the paper that fits your lifestyle:

- 1) Traditional:** For the traditional-type, a simple accordion file with a pocket for each month of the year will suffice. Simply drop the receipts for any month in that pocket and then move on to the next month. A simple, quick solution that won't take time away from your business.
- 2) Digital:** For some time now, it's been agreed that scanned copies of receipts are as good as the real thing. So go ahead and scan your receipts into any format you like, as long as you have a way to go back and find certain receipts when you need them. And make sure you have those files backed up once--or even twice.
- 3) Mobile:** For the small business owner on the go, the one tool you're likely not to leave home without is your phone. So why not have that be the hub for saving all your important receipts? The [TaxTracker app](#) for Android and iOS will let you snap pictures of your receipts and saves them to your online portal for later viewing. Data is read off the receipts for you automatically, and all you have to do is tag the receipt with a category. Easy as that.

Once you have your records established, make sure to hang on to them for seven years. Once you have eight boxes or folders, you can start destroying the oldest ones.