

Basics of Financial Record Keeping

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The Basics

- Presentation is meant to raise awareness of the importance of your financial records and documents;
- Presents the very basics to organizing your financial records and documents for personal record keeping and tax preparation.

What is Financial Record Keeping

Financial record keeping includes:

- Keeping evidence of financial transactions
- Keeping backup evidence to financial transactions to substantiate payment, claim or deduction
- Keeping titles, deeds, wills and other official documents of ownership and ownership succession.

Who Should Keep Financial Records

Everyone who:

- Transacts business;
- Pays bills;
- Owns an asset such as a home, a car or a business;
- Pays taxes

What Financial Records Should You Keep and Why?

- Receipts from any financial transaction both personal and business;
- Billing Statements and Invoices;
- Check register and cancelled checks;
- Bank Statements and Income Tax Returns;
- Checking, savings, credit card, loan and insurance policy account numbers
- Guarantees and Warranties;
- Any document that shows proof of payment, proof of purchase or ownership, proof of filing of official documents, proof of taxes filed and paid

How Should You Keep These Records and For How Long

- Receipts and records of financial transactions should be kept in a filing cabinet, usually not less than one year but not more than three years (tax returns and supporting documents should be kept seven years);
- Titles, deeds, wills and other important personal documents such as birth certificates should be kept indefinitely in a safety deposit box;
- Copies of receipts for large purchase items, items of ownership, tax returns, birth certificates and bank books can be made and given to a trusted family member or friend in lieu of safety deposit box.