

THE VISIBILITY REPORT

newsletter by: BOOKKEEPING MATTERS INC.

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A NOTE FROM JENNIFER

Greetings from the land of the sick.

I am wrestling with an awful virus this week. It's already hit my daughter (she picked it up from daycare) and now it's making me and my husband miserable as well. Which is why I want to encourage everyone to think about taking preventative steps now to make sure they're protected from the cold virus and don't suffer like me (ex. load up on the vitamin C, drink lots of water, wash hands often, etc.)

Actually, that's a good idea for your bookkeeping as well. If you're proactive about your accounting instead of reactive, you will save yourself a lot of suffering and heartache down the line. Especially since you never know when you're going to be audited or when you're going to burst a pipe and need an up-to-date P&L to prove loss of income to your insurance company or when you're going to meet that perfect investor who's interested in your company but wants to see your financial statements first.

Bottom line – get your bookkeeping accurate and up to date before the fit hits the shan.

Your Partner in Profits, *Jennifer*

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THE VISIBILITY REPORT is a monthly newsletter published by Bookkeeping Matters, Inc.

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FEATURE ARTICLE

For the Record: What to Keep and How Long to Keep It

2010 came to a close rather quickly. Now that we are already in the middle of February, the files and records are already starting to pile up. But, before turning on that shredder, let's review how long records should be kept.

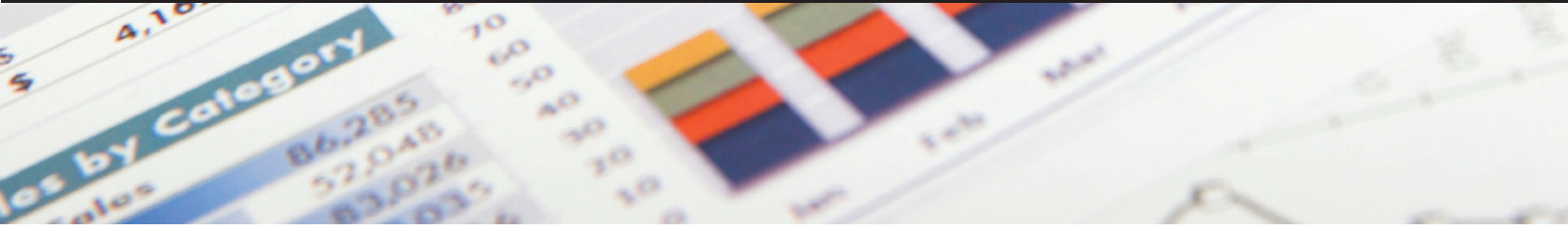
Variables such as action, expense, or the supporting event for a document, determine the length of time you need to retain a record. The IRS recommends keeping the record supporting the item of income or deduction on a tax return until the period of limitations for that return runs out. If the IRS spots a good faith error, they have three years from your filing date to audit your return. They have six years if they think you have underreported your income by 25% or more. If you file a fraudulent return, or don't file at all, the IRS can audit you at any time.

Another thing to keep in mind: the IRS isn't the only one that may want your records. Insurance companies and/or creditors may require you to keep documents as well.

Now, I know you are eager to clear off 2010 documents from your desk to make room for the newly accumulated 2011 pile, so here is a list you can reference to tidy up your files:

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Keep for 3 Years

- Accounts Payable Invoices
- Bank reconciliations and deposit slips
- Expired insurance policies
- General correspondence
- Internal audit reports and working papers
- Petty cash vouchers
- Physical inventory logs

Keep for 1 Year

- Accounts payable ledgers
- Accounts receivable ledgers
- Bank statements
- Bills of lading
- Cash receipt records
- Commission records
- Employee personnel records after termination
- Employment tax reports
- Expense reports
- General journals
- Inventory records
- Invoices to customers
- Payroll records
- Personal property tax returns
- Purchase orders
- Vehicle mileage logs

Keep Permanently

- Articles of incorporation
- Audit reports of public accountants
- Canceled checks for important payments such as taxes, property acquisition, etc.
- Capital stock and bond registers
- Copyrights
- Deeds and mortgages
- Depreciation schedules
- Dividend registers
- General ledgers and year-end trial balances
- Legal correspondence
- Licenses and permits
- Pension Returns
- Property records –appraisals, costs, blueprints and plans
- Tax returns (including IRS, state and sales tax with other documents prove tax liability)
- Trademark registrations and patents
- Year- end financial statements

IMPORTANT NEWS

NEW FACES AT BOOKKEEPING MATTERS

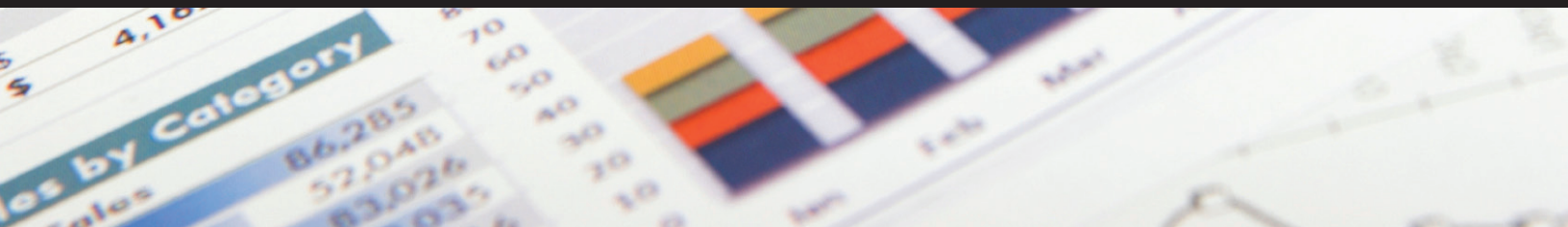
I'm delighted to announce that Jennifer Gentle and Karen Rundle have joined me as Bookkeeping Interns! They will alleviate some of my administrative duties, as well as assist me with marketing projects all while learning the ins and outs of bookkeeping and QuickBooks. I'll be bringing them by to introduce them to you as soon as they've completed their training. I am eager for you to meet them both. Watch for some new faces.

AN OPPORTUNITY TOO GOOD TO PASS UP!

How would you like an extra \$225 dollars in your pocket? Key Bank in Sellwood is "branching out to meet your needs" and giving away \$225 just for opening a new business checking account. To qualify, the only thing you have to do is use Online Banking and make at least two Online Bill Pay transactions. This is a great opportunity, but take advantage of it soon because this deal ends on February 11, 2011. For more information—or to get started—contact Shellene Schneider at (503)238-5825 today.

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QUICKBOOKS TIPS

How do YOU make an adjustment in QuickBooks?

Some people use a journal entry to make an adjustment in QuickBooks but there are many easy to understand, “behind the scene” features that will often make entering adjustments quicker and easier than a journal entry. Try the following transactions next time you enter an adjustment:

- **Customer Credit Memo (A/R)**
- **Vendor Invoice Credit (A/P)**
- **Inventory Adjustment**

CLIENT SPOTLIGHT



About Bear Transport LLC

Bear Transport LLC in Aurora was founded by Ted and Debi Bear in 2010. They assist auto dealers and auctioneers by transporting cars in Oregon and Washington. However, their business is not just limited to automobiles. They are able to transport just about anything, including, farm equipment and motorcycles. They are able to service a wide variety of clients because they have both open and enclosed trailers. As a small family owned business, Bear Transport is proud to offer great customer service, competitive pricing, and flexibility. Their top priority is to make safe, timely deliveries and they strive to provide the best transport experience in the Pacific Northwest.

Working with Bookkeeping Matters

“Jennifer has been helping us since the start of our business. Not only has she set up our bookkeeping systems but even helped complete the paper work for our LLC. One thing we really appreciate about Jennifer is that she is very thorough. We complete basic tasks of deposits and writing checks but she picks up where we left off. Knowing that our accounting will be done right and completed in a timely manner is very reassuring.”

– Debi Bear

TOOLS YOU CAN USE

Intuit Payment Network (IPN)

Wanna get paid faster but are turned off by the jumble of fees charged by most merchant processing companies? Intuit has the solution for you. The Intuit Payment Network (IPN) offers a fast and efficient way of processing payments. With this service, customers can go online and pay you directly and you are only charged a flat fee of 50 cents per transaction. In addition, you can send an invoice through QuickBooks 2011 that includes online payment links in the invoices.

INTERESTED IN WHAT INTUIT PAYMENT NETWORK CAN DO FOR YOUR BUSINESS?

Contact me today at 503-995-1929. I will be happy to help you integrate this new program with your QuickBooks file.