



RECEIPT TRACKING GUIDE

for small business owners

JIL & ASSOCIATES, INC

WHY RECEIPT TRACKING MATTERS

Being a business owner and dealing with receipt tracking seems like a mundane task, but it's actually super important

It's not just about paperwork; it's the backbone of keeping a clear and accurate record of everything your business spends money on.

Firstly, it helps create a complete list of your business expenses, especially during tax season when filing taxes and claiming deductions are crucial.

Secondly, tracking receipts not only allows you to keep an eye on your business's performance but also empowers you to make informed decisions about saving money and spending resources wisely.



HOW LONG SHOULD I KEEP RECORDS?

According to the [IRS](#) website:

- Keep records for 3 years if certain situations do not apply.
- Keep records for 7 years for claims related to losses, bad debt deductions, or unreported income exceeding 25% of gross income.
- Keep records indefinitely if you do not file a return or file a fraudulent return.

WAYS TO

ORGANIZE RECEIPTS

SORTING PAPER RECEIPTS MANUALLY

1. Set up folders and label them
 - Start by getting folders for your receipts.
 - Create categories based on your spending.
 - Label the folders according to your categories.
2. Categorize receipts
 - Arrange your receipts by category to understand where your money is going. This helps you see how much you're spending on different things.
 - Put each receipt in its matching folder. If there's something important, jot it down on the back.

TIPS FOR SORTING RECEIPTS

1. Sort by date
 - Keep things in order by putting receipts by the date you got them.
2. Daily organization
 - Spend a little time each day organizing a few receipts. This prevents them from piling up and makes the task more manageable.



WAYS TO

ORGANIZE RECEIPTS

USING A RECEIPT MANAGEMENT APP FOR SCANNING.

A receipt management app is a digital tool designed to streamline and enhance the handling of receipts. These apps employ advanced technology, such as Optical Character Recognition (OCR), to capture and convert the contents of physical receipts into digital versions.

The distinct advantage of these smart receipts lies in their enhanced accessibility and security. Unlike traditional paper receipts, digital versions are more resilient to loss and effortlessly retrievable. The apps facilitate quick searches using keywords and filters, making it easy for users to locate specific receipts whenever needed.

RECEIPT MANAGEMENT APPS

- [Expensify](#)
- [QuickBooks](#)
- [Shoboxed](#)
- [Dext](#)
- [Wave Receipts](#)



WAYS TO

ORGANIZE RECEIPTS

SCANNING RECEIPTS DIRECTLY TO GOOGLE DRIVE.

1. Scan your receipts
 - Invest in a scanner or use your smartphone's camera to take pictures of your receipts.
 - Try mobile apps like:
 - Adobe Scan
 - CamScanner
 - PDF Scanner
2. Sort in digital folders
 - After scanning, create folders on Google Drive for different spending categories.
 - Add your scans to the right folders.
3. Label with date for quick access
 - Enhance accessibility by labeling your files with the vendor's name and the date of the transaction.
 - Use a filename like "Vendor'sName_Date" to find it easily later.



COMMON SPENDING CATEGORIES FOR SMALL BUSINESSES

1. ADVERTISING

- Expenses related to promoting the business, including online and offline advertising.

2. BANK AND CREDIT CARD MERCHANT FEES

- Fees associated with business bank accounts and any interest payments on loans.

3. EDUCATION AND TRAINING

- Expenses related to employee training and professional development.

4. LEGAL AND PROFESSIONAL FEES

- Payments to external professionals, such as accountants, lawyers, or consultants.

5. MAINTENANCE AND REPAIRS

- Costs for repairing and maintaining business property or equipment.

6. MEALS AND ENTERTAINMENT

- Expenses for business-related meals and entertainment.

7. MISCELLANEOUS EXPENSES

- Any other miscellaneous costs that don't fit into specific categories.
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COMMON SPENDING CATEGORIES FOR SMALL BUSINESSES

8. OFFICE EXPENSES

- Any expenses related to maintaining the office. Includes equipment, furniture, or supplies necessary to run the business

9. RENT

- Monthly payments for office space, equipment, or vehicle leases.

10. SALARIES AND WAGES

- Payments to employees, including regular salaries or hourly wages.

11. SOFTWARE AND SUBSCRIPTIONS

- Payments for business software, subscriptions, or online services.

12. TAXES AND LICENSES

- Payments for various taxes, including income tax and sales tax.

13. TRAVEL EXPENSES

- Costs associated with business travel, including transportation and accommodation.

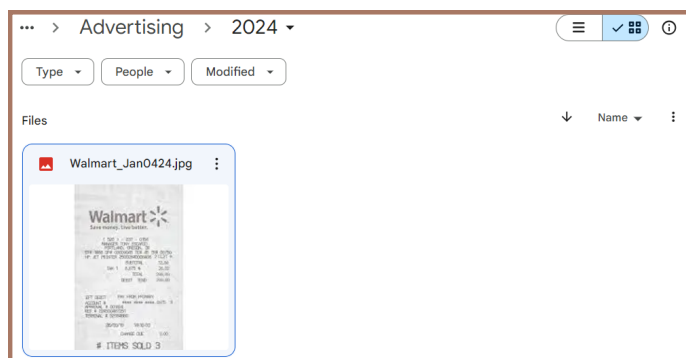
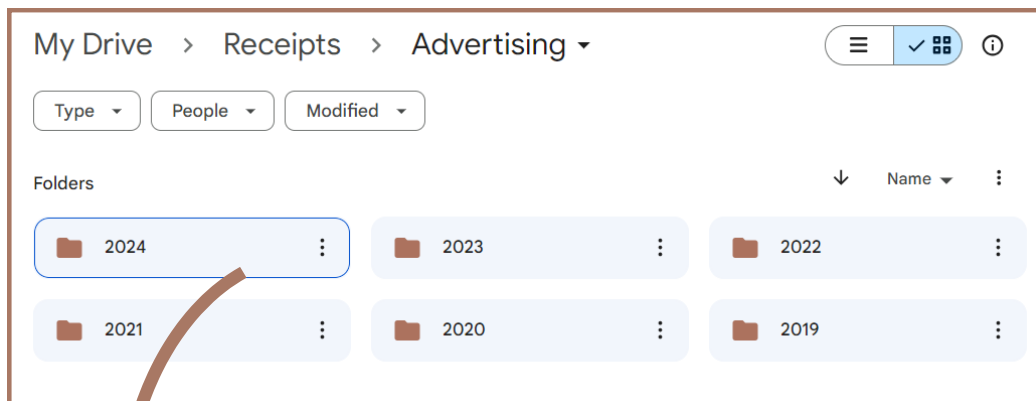
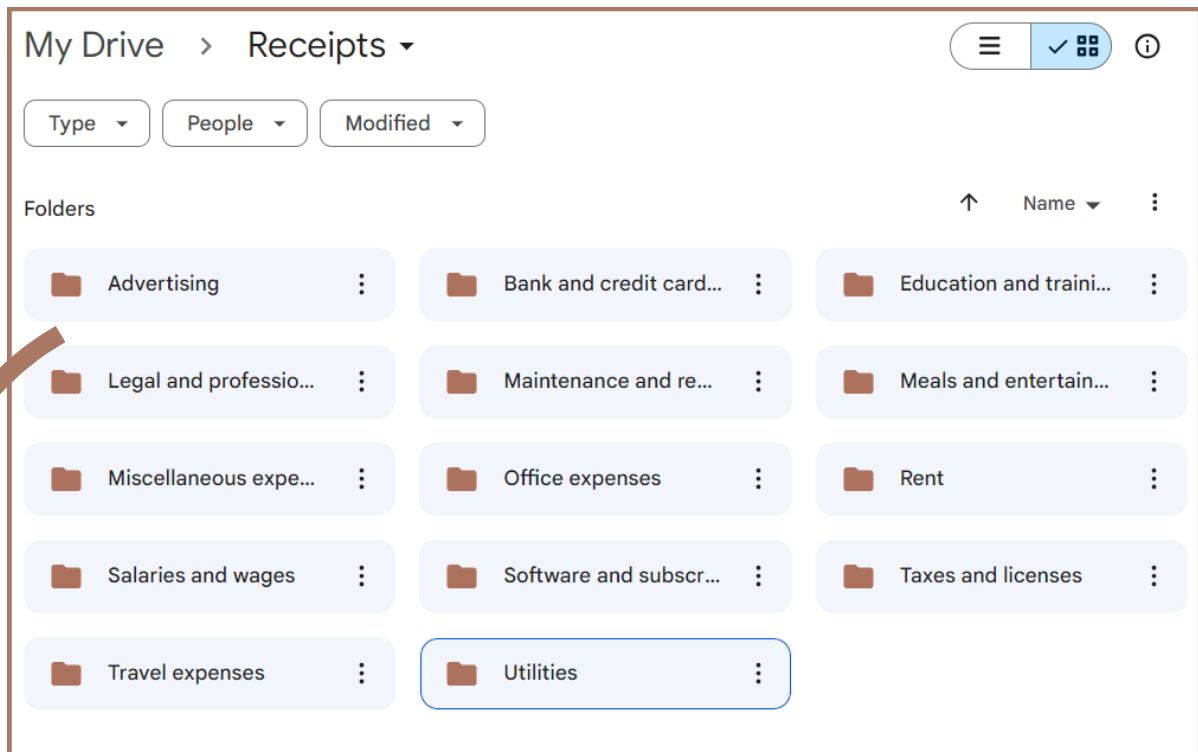
14. UTILITIES

- Payments for electricity, water, gas, internet, and phone services.
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GOOGLE DRIVE

Organization

If you prefer using Google Drive, here's a simple guide on how to organize your receipts



FOLDER

Labels

If you opt for manual receipt sorting, use these folder labels. Print them out for clear and efficient organization.

ADVERTISING
YOUR BUSINESS NAME

BANK FEES
YOUR BUSINESS NAME

RENT
YOUR BUSINESS NAME

LEGAL FEES
YOUR BUSINESS NAME

**MAINTENANCE &
REPAIRS**
YOUR BUSINESS NAME

**MEALS &
ENTERTAINMENT**
YOUR BUSINESS NAME

**MISCELLANEOUS
EXPENSES**
YOUR BUSINESS NAME

**TRAVEL
EXPENSES**
YOUR BUSINESS NAME

**EDUCATION &
TRAINING**
YOUR BUSINESS NAME

**SALARIES AND
WAGES**
YOUR BUSINESS NAME

**SOFTWARE &
SUBSCRIPTIONS**
YOUR BUSINESS NAME

**TAXES &
LICENSES**
YOUR BUSINESS NAME

OFFICE EXPENSES
YOUR BUSINESS NAME

UTILITIES
YOUR BUSINESS NAME

FOLDER

Labels

Another label option

ADVERTISING
YOUR BUSINESS NAME

BANK FEES
YOUR BUSINESS NAME

RENT
YOUR BUSINESS NAME

LEGAL FEES
YOUR BUSINESS NAME

**MAINTENANCE &
REPAIRS**
YOUR BUSINESS NAME

**MEALS &
ENTERTAINMENT**
YOUR BUSINESS NAME

**MISCELLANEOUS
EXPENSES**
YOUR BUSINESS NAME

**TRAVEL
EXPENSES**
YOUR BUSINESS NAME

**EDUCATION &
TRAINING**
YOUR BUSINESS NAME

**SALARIES &
WAGES**
YOUR BUSINESS NAME

**SOFTWARE &
SUBSCRIPTIONS**
YOUR BUSINESS NAME

**TAXES &
LICENSES**
YOUR BUSINESS NAME

OFFICE EXPENSES
YOUR BUSINESS NAME

UTILITIES
YOUR BUSINESS NAME

I hope that this receipt tracking guide has offered valuable insights and practical tips to streamline your receipt management. It's important to recognize that bookkeeping plays a pivotal role in any business, and maintaining accurate records is key for informed decision-making.

If you feel overwhelmed or need further assistance, don't hesitate to reach out. I'm always here to help you with your bookkeeping needs. Let's schedule a call, so we can discuss your business goals and how I can help you achieve them.



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[Click here to schedule a FREE 30 minute consultation](#)