



why you need a trapper keeper® for your business records



podcast episode 56 tip sheet

It sounds silly to say you need a Trapper Keeper® binder for your business in this digital age, but when you're an entrepreneur, coach or small business owner, you want to keep certain tax, legal and business records in a hard-copy format, organized, and easy to find. In this episode, we'll talk about the 6 types of business records that you need to keep, how long you need to keep them, and what can happen if you don't.

Why do you need a Trapper Keeper® for your business documents?

Get a Trapper Keeper® – or another three ring binder - and use dividers and tabs to separate your business documents. (Or, you can use an accordion file, manila folders, or whatever works for you.) You want to be able to TRANSPORT your documents easily, grab them at your fingertips, and make it super-simple to help yourself stay organized.

Here are my 2 best organizational tips for you:

1. Have hard copies of your documents in a binder on your office bookshelf or your filing cabinet.
2. Have electronic copies of key documents kept in a folder on your computer or uploaded to a secure cloud and easily labeled.

6 key categories of biz documents to organize and keep:

Please know that this list is not exclusive – meaning there are other documents you also want to keep too – but I am highlighting 6 categories of biz documents to keep handy at all times.

1. Tax records

Ah, taxes. It's one of our least favorite subjects, I know, but keep ALL of your tax returns – yep! ALL of them. This includes your federal tax, state tax, and local tax records. Keep at least the past 7 years of records. (Personally, I recommend keeping them for over a decade, if not longer. Keep them forever if you have room.)

Your tax returns might be too thick to keep in your Trapper Keeper®. They might be better off in a filing cabinet or a banker's cardboard box, but you might want to keep notes about your taxes or other info from the IRS under Tab 1. You'll also want to keep your W9 form behind Tab 1 which is what you present to other businesses who are going to pay you or issue you a 1099.

2. Business registration records

Once you've registered your business to make it official that you're up and running and you have paid clients, you'll have copies of your business registration records from your town/city and possibly your county and state. Put them under Tab 2 to show and prove in what city, county and/or state your business is based. Keep these records for at least 7 years, if not longer. You may need to complete these records annually so stay on top of these records and have them accessible to refer to when renewing your records each year.

3. Certificate of Formation / Articles of Incorporation

This 3rd set of business documents is specifically for business owners with an LLC or corporation. Under tab 3, you'll want to organize what are called your corporate formation documents.

If you have an LLC, you filed a Certificate of Formation with your state. (Some states have other names for this document, but it's the state document that grants your LLC.) Put your Articles of Formation and your LLC Agreement, which is also called an Operating Agreement, under Tab 3.

If you have an S-Corp or C-Corp, put your Articles of Incorporation and your Corporate Bylaws behind Tab 3. You might also have corporate filings like your Annual Reports, Actions by Written Consent, or even Corporate Resolutions. Put all of these behind Tab 3.

4. Federal tax ID or EIN confirmation letter

If you have an LLC, S-Corp or C-Corp, you likely will have a federal tax ID number, also called an EIN, which stands for Employer Identification Number. It's basically an identification number for your business that you request from the federal government – specifically the IRS.

Under Tab 4, put a copy of what I call your EIN confirmation letter. (The IRS calls this Form #SS-4.) It is SO IMPORTANT to keep this document in a printed format AND electronically b/c the IRS only issues this letter to you once. If you lose this letter, you cannot call the IRS and have them print another copy for you. You only get this letter ONE TIME. This is an important document that you'll refer to VERY often so even though it's just a 2-page letter, it's so important that it gets its own tab.

5. Bank statements

Keep a copy of your bank statement at the end of the year under Tab 5. On December 31st, make a note in your calendar to print out a copy of your bank statement showing the BALANCES in your bank checking account or any savings accounts. Keep these documents for 7 years at a minimum.

Keep your MONTHLY bank statements from any checking or savings accounts associated with your business as well. You'll also want to keep all of your receipts organized through an online accounting system or even in a shoebox that you mail to your bookkeeper to organize for you so you can review and compare your receipts against your bank statements on a monthly basis.

6. Miscellaneous / other

Tab 6 is like a "junk drawer" for your business records. It's a good place to catch all of the seemingly random paperwork that doesn't fit into any of the other categories so that you don't lose or misplace any of these documents too. They might actually be important, and you might actually need them.

If you receive any documents from the state or the IRS, I recommend that you hold onto them. You may want to reach out to your attorney or your accountant to ask them about the documents to make sure there's nothing that you need to do with them. Please do not throw documents from the state or IRS until you're absolutely sure what they say, what they mean and what you need to do with them.

Finally, what can happen if you DON'T have or keep any of these documents?

The first thing that most likely will happen is that you'll feel really stressed out. The minute that your accountant, bank, lawyer, state government, or the IRS contacts you and asks you for these documents – which does happen frequently! – you'll be scrambling to find them if they aren't somewhere easy to remember and locate. We want to MINIMIZE your stress, not cause more of it.

You may have to go out of your way to take time and energy to request duplicate copies – which can take time – days, even weeks – to be delivered to you. Some documents, like your EIN confirmation letter like I mentioned earlier cannot be resent to you by the IRS so please, please do yourself a huge favor and stay organized on the front end.

Not only that, but you also could be operating your business in a low biz vibe when you're feeling stressed out b/c this issue will be hanging over your head, sucking your precious energy and taking up space in your mind that should be devoted to your next e-newsletter, your next new offer, or your next podcast episode.

That's why I align getting your business documents organized with the **root chakra** because it grounds you and calms you and helps you to feel safe and secure to know where your key documents are located in your office and in your Trapper Keeper® or some other folder system. You SOOTHE your critter brain and you RELAX as a biz owner when you've not only created a solid legal foundation, but you know exactly where all of your important documents are.



Do you have other questions about your business records or how to best organize them? Feel free to reach out to me at clientlove@lisafraley.com. I'm always happy to assist you however I can – or, of course, refer you to another attorney if needed.

As always, I believe you're set free to do your best work and create anything that you want when you get legally covered in a loving way.

Here's to getting legally enlightened!

With Legal Love™,

**This information is for educational and informational purposes only.
It is not legal advice and it does not create an attorney-client relationship.**

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Lisa Fraley, JD, CHHC, AADP, is an acclaimed attorney, Legal Coach®, speaker and #1 Best Selling Author of "Easy Legal Steps...That are Also Good for Your Soul." With her unique blend of coaching, legal expertise, and spirituality, Lisa has supported thousands of heart-centered entrepreneurs and small business owners to protect themselves, their businesses and their brands through DIY legal templates, online legal courses and one-on-one services.

From sharing international stages with thought leaders like Kris Carr and Gabrielle Bernstein to being featured on hundreds of podcasts, webinars, radio shows and bonus calls, Lisa has made it her mission to help every single small business owner understand that the law can be accessible, empowering, loving, and even spiritual. When she's not saving the world (with Legal Love) one contract at a time, she's posting free legal tips and connecting with her tribe at lisafraley.com.