



Getting **ORGANIZED** Good Filing Practices

Have you ever wondered if there is an easier way to file your receipts? Do you have trouble finding receipts and do you feel disorganized? If your business has reached the level where it is generating a lot of paperwork and you feel overwhelmed, it is time for a filing system.

The system should be uncomplicated, consistent and provide easy access to receipts. Below are tips for collecting legitimate business receipts and setting up a filing system for a small business.

Receipts

- ☐ Always get a receipt
- ☐ CRA does **not** accept cancelled cheques or credit card statements as receipts for tax deductions
- ☐ Receipts/invoices **must** have all the information of a legitimate business receipt. This includes:
 - ☐ Business or trading name, complete address, and phone number,
 - ☐ Date including the year
 - ☐ Description of purchase,
 - ☐ GST number, and amount of GST charged,
 - ☐ Total and an indication that the amount has been paid
 - ☐ If buying goods from individuals (not companies), the receipt should also be signed by the individual to acknowledge receipt of funds
- ☐ CRA will disallow receipts that do not have contact information on them. If a store receipt does not show the business name, address, etc, ask them to stamp the receipt with their rubber stamp.
- ☐ Make notations on any receipts where the purpose of the expense is not obvious and clarify those that are difficult to read
- ☐ On the receipt/invoice, write the cheque number (and the amount paid, if different from the total) and the date of payment
- ☐ If paying more than one invoice at a time, attach a tape showing the amounts being paid

Filing

- ☐ Start a new set of file folders at the beginning of each fiscal year.
- ☐ The most current items should be in the front of the file.
- ☐ Receipts should be filed in the year the transaction took place, not the year of payment
- ☐ Make **dedicated file folders** for those companies you use often or receive monthly statements for, e.g. Bank, Rogers, Telus, Esso, VISA, and regular suppliers and/or accounts
- ☐ Make **category file folders** for those expenses where you use different suppliers or use infrequently, e.g. Advertising, Auto Repairs and Maintenance, Business Meals, Fuel, Insurance, Office Supplies, Tools, Supplies, etc
- ☐ Make **dedicated file folders** for all tax accounts and other government bodies: GST, WorkSafeBC, Source Deductions, Corporate Tax
- ☐ Make a **"Permanent" file** for long life items, asset purchases over \$200 (furniture, equipment, etc), contracts, and other long-life documents
- ☐ Make a pending file for invoices (bills) that are not yet paid
- ☐ File receipts **after** they have been entered into the accounting system

Business Meal Receipts

- ☐ Write the name of the person(s) entertained and the reason for the meeting on the receipt
- ☐ Write the amount of the tip on the receipt, it is a business expense, too
- ☐ Keep the restaurant receipt **and** the credit card receipt

Credit Card Statements

- ☐ CRA does not accept credit card statements as sufficient evidence to support deductions. Keep the store receipt **and** the credit card receipt
- ☐ The receipts can either be attached to the statement or filed in category or dedicated file folders once they have been entered into the accounting system