

## Emergency Preparedness: Protecting Your Business's Financial Records

Natural disasters, fires, theft, or other emergencies can strike at any time. While physical safety is paramount, protecting your business's financial records is crucial for recovery and continuity. Here's what business owners should include in their emergency preparedness plans:

### Essential Financial Records to Maintain and Protect:

- Financial statements
- Income and expense records
- Tax returns and supporting documents
- Asset records and purchase information
- Employee and payroll records

### Asset Documentation Requirements:

- Purchase dates and prices
- Improvement costs
- Depreciation records
- Maintenance records
- Usage documentation

### Record Retention Guidelines:

- Regular tax returns: 3 years
- Employment tax records: 4 years
- Asset records: Until disposal plus statute limitation period
- Fraudulent returns: Indefinitely
- Claims for loss/bad debt: 7 years

### Best Practices:

- Maintain separate business checking accounts:
- Keep digital backups of all important documents
- Store records in multiple secure locations
- Regularly update your recordkeeping system
- Consider computerized record systems that provide detailed tracking

Remember, good records aren't just for taxes - they help monitor business progress, prepare financial statements, and identify income sources. Having organized, protected

financial records can make the difference between recovery and closure after an emergency.

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