

The last time we were together I told you about my wife who had bunion surgery and was confined to a non-weight bearing cast for 6 long weeks where she could not work. Now some people would seize that opportunity to catch up on reading, watching DVD's or simply catching up on sleep. Some people are not Joanne! She chose the opportunity of being home for 6 weeks to catch up on cleaning out some of the junk that we have accumulated over 29 years of marriage.

Joanne's primary target for this cleaning was paper. Tax records, bank statements, retirement account reports, receipts, warranties, and much, much more. I didn't realize how many boxes of "stuff" that we have accumulated. Our garbage can was overflowing with papers that were no longer applicable such as copies of maintenance records for a car that we sold 5 years ago. Anything that we didn't need but had personal information got shredded. That amounted to 6 full kitchen sized trash bags full of shred material.

Some of the papers had sentimental or what I call "smile value". One paper that fell in the smile category was a copy of an article published in 1998 entitled "Y2K Personal Preparedness Checklist". It was fun to look at and remember that crazy New Year's Eve, 1999. If you remember, many computer programs only used the last 2 digits of the year in many date functions. The fear was that computers around the world would crash and disrupt our way of life. Many places purchased large generators just in case the electricity failed.

The second paragraph of the checklist reads as follows: "...No one knows how long the crisis could last. Many experts believe you should prepare for a minimum of six months of shortages, disruptions, breakdown in community services and rationing of community services." I remember going through an extensive checklist for the bank I worked for at the time. One of the duties I was responsible for was to make sure that I was at the bank at midnight, New Year's Eve. Now I don't remember the entire list, but one of the duties was to flush each one of the toilets in the bank!

The checklist also encouraged the reader to make sure all our pertinent records were up to date because the assumption was no computer in the country was going to work properly at 12:01 on 1/1/2000. Needless to say the crisis didn't happen. But between Joanne's working through thousands of sheets of paper and the Y2K reminder, record retention remains a widely overlooked subject for small business owners and managers. So I did a little digging and found copies of record retention plans for a couple of the boards I have served on over the years and for the bank.

Unfortunately there was no easy, overriding record retention answer that will fit everyone who is reading this. Generally the current thinking is that anything that has to do with company finances, especially cash transactions, should be kept indefinitely. While it might be fun to look at where your business was 50 years ago, I am pretty sure it will not be necessary in case of an IRS audit. My suggestion is to check with your accountant and insurance agent for guidance and advice. We are fortunate to live in an age where a lot of records can be stored electronically and not take up as much space as it used to, and will allow us to keep some records longer.

Next week Joanne goes back to work and I think we might be back accumulating paper that we think is pertinent to our lives. I hope we remember to put this on the schedule for an annual clean up instead of waiting another 29 years.

*Small Business Today is a bi-weekly feature written by Tom Friedman, market president of First National Bank, Ames-Ankeny.*