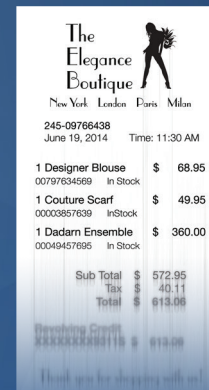
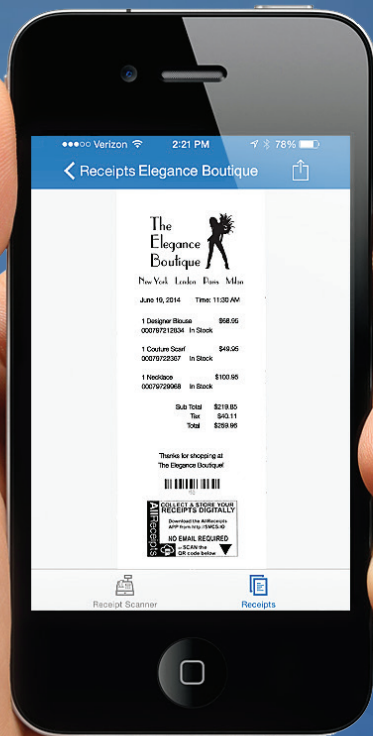




The Value of Receipts: Printed and Digital



There's no getting away from it: Receipts hold great value and are an irrefutable part of everyday life. These small slips of paper clutter wallets, drawers, and shoe boxes; lie crumpled in clothing pockets; and are thrown haphazardly into filing cabinets. But nothing is worse than realizing the need to return an item or deduct a purchase on a tax return, only to find that the appropriate and much-needed receipt is nowhere to be found.

Recent years have seen the development of digital receipt management solutions that minimize such problems and make organizing and storing receipts far easier and more convenient for customers than ever before. Older solutions require an email address and a scanner to send the customer a digital version of a receipt. This can be both off-putting and expensive for customers. A new app allows for customers to collect their copy of a digital receipt anonymously and freely. This app allows customers to scan the QR codes on printed receipts, digitizing each for storage on a smartphone. The possibilities this presents—regarding the storage and organization of receipts—are limitless.

Still, in some cases, paper receipts are either imperative or strongly preferred to their digital counterparts. Consequently, merchants would do well to harness technology for generating traditional paper-based receipts, and technology for handling digitally created receipts. Like paper and digital receipts themselves, these technologies complement—rather than compete with—each other. In this eBook, we will explore under what circumstances receipts are needed, when and why it is important for customers to have them, the duration for which customers must maintain various types of receipts, and where both printed and digital receipts fit into the merchant/customer puzzle.



When–And Why–Receipts Are Critical

Receipts remain critical in many different scenarios and for many reasons. These encompass:

- **Refunds.** Receipts serve as ironclad proofs of purchase. Few merchants willingly issue refunds for purchases unless the customer can produce a receipt. Only with a receipt for the purchase in question can customers be assured of enjoying a hassle-free refund process.
- **Reimbursements.** Employers typically do not reimburse personnel for work-related purchases, such as supplies, unless as they can produce a receipt for what they have bought. This is also true for the reimbursement of business travel costs, such as money spent on gas, flights, or hotels.
- **Reconciliation with credit card and bank statements.** Comparing receipts for purchases with monthly credit/bank statements enables consumers to confirm that they themselves initiated each credit/debit card transaction they are purported to have completed, in turn preventing them from paying for merchandise, restaurant meals, or anything else they did not really purchase.
- **Tax deductions and audit preparation.** Having on hand receipts for all deductible expenditures facilitates accurate completion of annual income tax returns and simplifies preparation in case of a subsequent audit by the Internal Revenue Service (IRS). It is not unusual for IRS examiners to ask to review receipts for deductible expenditures during audits in order to assess their legitimacy.
- **Warranties.** The first question store employees will ask when approached about returning or exchanging any item covered by a warranty is when that item was purchased. A receipt will answer the question—and demonstrate that coverage is indeed still valid.
- **Gift card activation.** While it may not be a frequent occurrence, cashiers occasionally forget to activate a gift card at the point of purchase. Presenting a receipt ascertains that there has been a failed gift card activation, rather than a theft of a gift card from the display.
- **Proof of service(s).** No matter the assistance they offer, repair shops and similar entities generally require proof that they have performed work if the quality and/or effectiveness of that work is later disputed and the customer requests monetary compensation or a complimentary “make-good.”

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- **Budgeting/reconciling.** Receipts allow customers to determine exactly how much money is being spent for each category of their budget (e.g., food, entertainment, clothing, etc.), as well as to identify areas in which cuts can most easily be made if necessary.
- **Security.** Many merchants, such as electronics retailers, require that customers show a receipt before leaving the store to prove that they have paid for the items in their hands or shopping carts.

Short-Term vs. Long-Term ‘Keepers’

Just as the “uses” for receipts vary, so does the duration of time customers should keep them.

Short-term: Receipts that fall into this category need only be retained for one month or less—just enough time for purchases to be verified against a bank statement or credit card statement. Receipts for cash and grocery purchases, as well as those for personal (non-business) restaurant meals, rank among them. Due to the fact that paper receipts tend to fade or be lost over time, they are great as short-term keepers.

Long-term: Receipts that serve as proof of purchase and may later need to be presented as such to a manufacturer (for items under warranty), tax authority, credit card company, or insurance company should be maintained on a longer-term basis. For example, individuals who own their own companies should keep receipts for business expenses like meals with clients and the purchase of office supplies and equipment, to name a few. Receipts for job-search expenditures—e.g., transportation to and from interviews, resume-printing, fees paid for access to online job-search boards—must be maintained for the long term as well. Also on this list are receipts for expenses that have been or will be reimbursed



by an employer (e.g., the cost of business meals, hotel stays/car rentals connected with work for that employer along with the purchase of equipment and supplies for business use only). Receipts associated with medical expenses (e.g., physician, hospital, and laboratory services; prescription medications; and special equipment or supplies related to treatment) should be retained for an extended period of time. So, too, should receipts for major purchases (e.g., appliances and electronics).

Receipts that need long term storage lend well to digital storage. Stored in the cloud, digital receipts will always be there when they are needed, accessible by any device. Digital receipts don't need to be hunted down from drawer to drawer or box to box. They'll be in a pocket, accessible at all times.

Receipts play a vital role in just about every aspect of life from personal purchases to work-related purchases to tax purposes. There is no escaping the need for receipts, both printed and digital. Just as printed receipts are enhanced by digital receipts, digital receipts are enhanced by printed receipts. When things like employment reimbursements and tax write-offs hang in the balance, it is critical to have a back up copy of every receipt.

Sometimes, it is difficult to reconcile the need for receipts with the hassle of organizing them. But, with a digital receipt management solution, the hassle of receipt organization can be minimized. A digital receipt solution works for everyone, and while it doesn't eliminate the need for paper receipts, it certainly makes the keeping of them more convenient.

About Star Micronics

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