



GETTING ORGANIZED

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Getting financial papers organized is an important step in the scheme of money management...a step that most people don't consider seriously enough. There are many benefits to having important documents and finance-related paperwork in order. **Here are just a few:**

- Save hours of anxious searching and worrying, or losing documents altogether
- Preserve peace and harmony
- Serve as an indicator of financial success
- Help you move through and cope with emergencies (recent natural disasters have taught us this)
- Provide some security in the death or incapacitation of a spouse or loved one
- Save you money, space, and time
- Serve as an important key to your credit standing
- Help save on your taxes

There are many different ways to store and organize these important papers. The key is to find a system and method that is easy and clear to you. Some people use file drawers, file boxes, loose leaf binders, or a combination of all of the above. **Consider the following pages to help you get started:**

Where are you now? Where do you want to be? *Fill in these blanks:*

When it comes to my financial organization, this is where I am right now: _____

When it comes to my financial organization, this is where I would like be: _____

Things I will do to get there: _____

WHERE TO STORE IMPORTANT DOCUMENTS

Safe Deposit Box	Fireproof Box at Home or Home Filing System	Attorney or Relative or Friend (as applicable)
Automobile Titles**	Cancelled Checks**	Burial Instructions**
Birth/Marriage/Death Certificates*	Bank Account Statements**	Living Will*
	Medical History*	Will (copy or original)**
Citizenship Papers*	Warranties**	Power of Attorney*
Burial Lot Deed**	Living Will*	Trust Documents**
Personal Property Inventory* (Update annually, place copy in home file)	Employment Records*	Copy of Personal and Professional Directories**
	Passports**	
	Power of Attorney*	Copy of Personal Property Inventory*
Education Degrees*	Original Will**	
Legal Documents*	Trust Documents**	
Property Deeds and Other Real Estate Documents*	Insurance Policies and Record of Claims*	
Divorce and Custody Documents*	Inventory of Valuable Papers*	
	Recent Tax Records*	
Military Documents*	Back Tax Records*	
Stocks and Bond Certificates**	Record of Auto Service and Repair**	
Audit Records*	Financial Information Binder*	

*Items to be kept permanently.

**Items to be kept only temporarily (for the duration of ownership or until updated).

Goetting, Marsha, Corinne Cramer, Katelyn Andersen. (2011) Your Important Papers: What to Keep and Where. Montana State University Extension. Retrieved from <http://store.msuextension.org/publications/FamilyFinancialManagement/MT199611HR.pdf>.

A Systematic Plan can:

- Save hours of anxious searching and worrying, or losing documents altogether
- Preserve peace and harmony
- Help you move through and cope with emergencies or death
- Save you money, space, and time
- Serve as an important key to your credit standing
- Help save on your taxes
- Be an indicator of financial progress

Getting Organized

- **Time:** Set aside a few hours, maybe even while watching TV.
- **Space:** Clear space to spread out.
- **Routine:** First Saturday of each month; last day of each month. Decide on a time, make an appointment, and keep it!
- **Place**
 - **Financial binder:** Contact information and documents
 - **Filing cabinet:** Several years worth of records
 - **Safe deposit box:** Valuable or hard-to-replace documents
 - **Container:** For all other incoming mail (ex: bills paid and unpaid)
- **Person:** Keep another trusted individual involved

Ask yourself some basic questions as you start locating and organizing information, documents, and papers that relate to your financial picture.

- How valuable is the information?
- Is this paper a legally binding contract?
- What obligations am I under to keep track of and know this information?
- What might happen if this gets into the wrong hands?
- How does this information, paper, or document affect my future if it is not cared for properly?

Managing Paper

Three options for managing known as F.A.T.

- File
- Act on it (pay a bill)
- Toss it away

Where to Start?

- Start looking for major, lost documents
- Identify top priority documents and get them into a safe place
- Engage the help of spouse and/or family
- Eliminate before organizing
- Start breaking down the piles by subject

Tips on Tossing



Did you know that, on average, people only use 20% of what they keep. Ask yourself:

- Does this piece of paper require some kind of action on my part?
- Is it recent enough to be useful?
- Would it be difficult to get again?
- Does it have tax or legal implications?
- Can I identify a specific use for the paper?
- What is the worst possible scenario if I throw it away?

High Tech or Low Tech

Each person has a different way of organizing things. You need to ask yourself - do I want to organize important documents in a high-tech way (online, in cloud, digital) or am I someone who would do better using a low-tech method (file cabinet, fire proof box, etc.)? The important thing is to do what works best for you.

Three Filing Categories:

- **Current/Active Files**
 - Current year working files—finances, health records, contracts, education, etc.
- **Inactive Files, but Permanent**
 - Past years records - especially tax records
 - Use and Care Manuals
 - Warranties
- **Resource Files**
 - Reference articles, stories, poems, etc.
 - Hobbies, patterns, instructions, etc.

Current Files

Bank statements, medical records, bills (paid and to-be-paid)
Easily accessible filing cabinet, box, or binder

Permanent Files

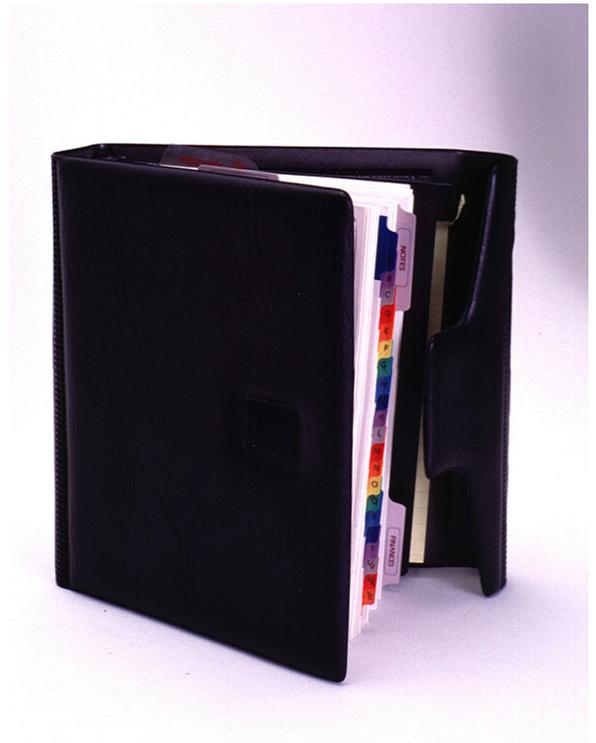
Filing cabinet, bankers box of records, or a financial binder

Dead Storage

Records of uncertain value or those you are uncomfortable discarding.

Discarding Records

SHRED: When discarding records, be careful. Many documents contain sensitive information. Investing in a cross-cut paper shredder is a wise idea to avoid identity theft.



Discarding Documents:

Bank Statements	Keep for 6 years
Canceled checks relating to tax deductions	Keep for 6 years
Contracts	Keep until updated
Credit card account numbers	Keep until updated
Home purchase and improvement records	Keep as long as you own property
Investment records	Keep for 6 years after tax deadline for year of sale
Loan agreements	Keep until paid in full
Real estate deeds	Keep until transferred
Receipts for large purchases	Keep until sold or discarded
Service contracts and warranties	Keep until expiration (unless part of taxes)
Tax returns	Keep 6 years from filing date
Vehicle titles	Keep until sale or disposal
Will	Keep until updated
Insurance records	Keep until updated

Master List of Important Papers

Getting your financial papers together can seem daunting, but if you work on it a little at a time, it is doable. The most important document you will need is called a master list, also known as summary record. This document contains important information such as location of papers, contact information for professionals such as insurance agent, where banking is done, etc. It is important that your lawyer and family members know where you will be keeping the master list of important papers.

The Master List template can be found at
www.facebook.com/groups/usuextfinmngt

You might want to make a separate copy of the worksheet before you begin to fill it out.

On the next page, we will discuss putting together a Financial Information Binder. Your Master List of Important Papers can be part of your Financial Information Binder and part of your filing system.

USING A FINANCIAL INFORMATION BINDER

Placing copies of important papers, having reference numbers and details, and tracking certain financial information in a binder is one step that many find helpful in the process of managing their financial picture.

A binder is intended to give you quick access to key information and becomes a source of help to someone who may have to step in during an emergency or at the time of death. It is recommended that it be updated often - at least once a year – or whenever a significant change occurs, such as birth, death, divorce, widowhood, relocation, purchase, or sale of assets.

Guidelines for Starting a Financial Information Binder

First, purchase supplies. Your Financial Binder doesn't have to be fancy. You'll need:

1. A sturdy three-ring binder
2. Up to 16 index dividers
3. Plastic page protectors
4. College-ruled notebook paper (if not using computer)

Next label the dividers with the titles of your notebook items. Some suggestions are listed below. Add other items as needed.

Suggested Binder Items

- Personal Directory – family and friends to notify in an emergency
- Professional Directory – attorney, CPA, insurance agents, clergy, etc.
- Financial Information
- Financial Goals List
- Personal Property Inventory
- Net Worth Statement/Budget/Special Expenses
- Loan Papers
- Income Tax Information and Documents
- Rental or Lease Agreements
- Insurance Policies
- Social Security Benefits Statement
- Pension/Retirement Benefits Statement
- Birth Certificates, Immunization Records, Social Security Cards
- Credit Report—visit <http://www.annualcreditreport.com>
- Paycheck Stubs

Personal Directory

This directory is just what it sounds like – personal contacts, numbers and e-mail addresses. Make sure to include the names of everyone who should be notified in the event of a death in your family. Include the executor of your will. If applicable, this is the place to keep social security information and military discharge papers. The personal directory can be used as a quick reference for this information.

Professional Directory

Together with the Personal Directory, this list would be extremely useful to your representative if you or a family member should die or become incapacitated. Include your employer (and your spouse's employer) and every professional involved in your affairs: physician, dentist, clergy, lawyer, accountant, insurance agent, banker, financial advisor, funeral director, real estate agent, and so on. The contact information for your human resource manager at work would also be helpful.

Financial Information

Include all account numbers and other contact information related to your finances. This could include but is not limited to:

- Checking accounts
- Savings accounts
- Retirement accounts
- Certificates of deposits
- Savings bonds
- Safe deposit box
- Wills
- Trusts
- Loans: auto, mortgage, etc.
- List of titles for vehicles owned
- Insurance records: life, auto, home, renter's, accident, health, disability, umbrella
- Real estate (include cemetery plot)
- Mutual funds
- Individual stock and bonds
- Other investments
- Money owed to family
- Credit cards (including toll free numbers)
- A list of where your important documents are located

Financial Goals

What are your financial goals?

- Short Term – less than 3 months
- Medium Term – 3 months to 1 year
- Long Term – more than 1 year

Personal Property Inventory

Personal property, also known as household inventory, is a key part of financial organization. Having this information put together before a crisis can relieve stress and provide peace of mind. The best way to document this is to use a video camera. Photos aren't as good but will work. Photograph each room, wall by wall, floor to ceiling. For larger areas that won't fit into a single shot, snap the area in sections, overlapping your shots slightly. While you are taking pictures, open the drawers of china cabinets, dressers, and stereo cabinets to photograph the contents as well as those of other containers such as tool boxes. You may also consider using a videocamera to inventory - talk about each item as you go through rooms.

When you have photographed each room, go on to the closets. Don't forget the basement, attic, and garage. While you're outside, film the lawn furniture and the contents of any storage or tool shed. After you have completed your photo inventory, use a portable tape recorder to walk through your house, describing everything in each room.

If you have especially valuable objects such as jewelry, furs, clothing of any kind, or antiques, you may need a qualified appraiser to establish value. Take extra care to document these items, and keep the documents in a safe place.

If you do not yet have an inventory of all of your belongings, making one may seem to be a monumental undertaking. However, it does not need to be. Break it into steps and inventory one room at a time.

Keep your inventory in a safe place. A copy of the inventory and photographs, slides, or videotape should be kept in a safe deposit box with a second copy in your fire-proof safe at home. With digital cameras and electronic forms, much of this can be kept on a flash drive as well. This will make it easier to update the inventory once a year and add new items at the time they are purchased.

NOTE: Almost all insurance companies have forms and information available to help you complete a household inventory.

Net Worth Statement, Income/Expense Statement, Savings/Spending Plan, and Special Expenses

If someone were to take over your finances, would they know what bills to pay? Would they understand the family budget? Would they need to know the non-monthly special expenses that occur every year, but are not necessarily listed in the budget? These need to be updated yearly and the newest version put in the Financial Information Binder. Forms and examples can be found at www.facebook.com/groups/usuextfinmngt.

Loan Papers

Include a copy of all past and present loan papers in this section. If you have paid a loan off, make sure that you note that it is paid in full. This is particularly important when lending/borrowing from relatives.

Tax Information and Documents

Include all information for each year that you would need if you are audited. Make sure that your W-2 forms are included with each year's information. If you are applying for a mortgage, you will need to have these to prove your income and employment over the past several years.

Rental or Lease Agreements

Copy of agreements for any real estate, farm property, or storage sheds that you either rent yourself or you own that someone else leases. This is where they belong here for easy access.

Insurance Policies

A complete list of all insurance policies should be kept here, unless you included a list with your financial information documentation. The actual policies need to be kept in your fire-proof safe at home, or in a safe deposit box if you prefer.

Social Security Benefits Statements

Stash all of these statements here for easy referral of benefits.

Pension, Benefits, IRA, 401K, and Retirement Statements

These statements are important to be able to collect benefits upon the death of your spouse. They also help you estimate retirement benefits in preparation for retirement.

Birth Certificates, Immunization Records, and Social Security Cards

End those days of searching for these important documents by adding a COPY of them to your Financial Information Binder.

Credit Reports

Keep your most current credit report here. These should be checked yearly for mistakes and identity theft. Go to <http://www.annualcreditreport.com> to receive one free report from each credit reporting bureau per year. You will only receive the report. The score is not included. If you wish to see your score you pay a nominal fee and get it. Beware of other free credit report websites that claim they provide reports and scores for free. They do not.

Paycheck Stubs

These are important for applying for mortgages and loans to prove income qualifications.

Other

This is where you can create your own areas according to your needs. Suggestions include: travel reservations, organizations/clubs, wills/trusts (copies), safe deposit box (key and list of contents), warranties, holiday card list, investments, pet records, divorce papers, etc.

It is a good idea to keep your financial information binder in a fireproof box at home so it is protected. You want to keep the binder locked up to prevent identity theft.

Make sure other trusted family members and/or your attorney know where the binder is and where to find the fireproof box.

If the box has a key or combination, make sure others know where it is and what the combination is.



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