

HOW TO ORGANIZE YOUR FINANCIAL RECORDS

Do you have financial records that you don't know what to do with? Do you have stacks of unopened bills? Do you stress out at tax time trying to find all your required documents? And are you lacking a system for managing all this mess? Well, you aren't alone. Most people could use a thorough financial house cleaning right now and a little regular maintenance to keep their financial records in good shape.

If you're ready to put an end to the mess, the following steps can walk you down the path of organization:

1. Gather all your financial documents. This should include paperwork, bills, and unopened mail.
2. Set up a filing system. Use the following table as a guide to organize your personal files. For most of the primary subjects, you need only one file. You may find that fewer or more files are necessary depending on your personal situation, preferences, or number of documents you have for a particular file.

WHAT TO KEEP THERE:

Advisors - List of names, addresses, phone numbers, and e-mail addresses of the important people in your financial life.

Auto - Car or truck title and maintenance record.

Bank Accounts - Keep your monthly statement until it is reconciled and the next monthly statement has come in.

Bills - Due Immediately after opening mail, file bills you have to pay here.

Contracts - Legal agreements (like divorce papers) and employment contracts.

Credit Cards - An annual credit report, your current monthly statement, and older statements that contain expensive items that are under warranty through your credit card company.

Education - Enrollment records, diplomas, certificates, grade cards, transcripts, and progress reports.

Employment - Employee handbook and benefits handbook, paycheck stubs (the most recent if cumulative data appears on the stub), employee evaluations, current resume.

Healthcare - Medical records, vaccination information, receipts.

Home Repair and Maintenance - Records and receipts for any home services, repairs, or equipment (such as lawn mowers).

Insurance - Any insurance policies you have: home, life, auto, medical, personal property, and so on.

Investments - Bank investment account statements, brokerage account records, mutual fund statements, retirement plans, IRAs, and other investments.

Loans - All documents pertaining to a loan for as long as you owe money on the loan.

Read - Important financial materials that you'll read at a more convenient time. File it in the proper place after reading.

Tax Records - W-2s, 1099s, charitable contribution receipts, and other items pertaining to the current tax year. Keep tax returns and supporting documents for at least three years.

To Do - Pending finance-related projects.

Utilities - Current monthly statements for water, gas, electric, phones, and cable or satellite TV.

Warranties - Keep warranty information on file until an item is no longer under warranty.

Wills, Trusts, and Estate Planning - All current, executed estate-planning documents, as well as a list of beneficiary designations.

3. Separate your paperwork into four stacks: Bills To Be Paid, To Do/Read, File, and Shred.

4. Place the Bills To Be Paid stack into your new 'Bills Due' file, place the papers in your To Do/Read stack into your new 'To Do' or 'Read' files, file all items in your 'File' stack in their appropriate files, and shred the remaining papers.

NOTE: Every time you retrieve the mail or obtain additional paperwork from work, from the bank, and so on, immediately follow Steps 3 and 4.

