

Your Important Papers, What to Keep and Where

by Marsha Goetting, PhD, CFP®, CFCS, Professor and Extension Family Economics Specialist

The beginning of each new stage or change in your life calls for a fresh look at the types of records and papers you should be keeping. Whether you are a student, married, divorced, widowed, or setting up your first apartment or house, new roles and responsibilities call for new ways of thinking about keeping personal records.

Households should be viewed as mini-businesses since many of the functions of planning, purchasing and record keeping are the same as they are for any other type of business, large or small. You will find financial records becoming a vital part of your life. They are a key to your credit standing, are essential to help you save money on taxes, and provide a continuing indication of your financial progress.

A systematic plan for keeping track of important papers which come into your home can save hours of anxious searching, can help preserve peace and harmony and make it easier to cope with emergency situations.

Record-keeping, however, is more than merely a matter of neatness and order. Legal and safety factors enter in as well. Many records and papers can be kept in a home file for ready access, while others should be left with your attorney or placed in a safe-deposit box. A good rule to follow is to keep the item at home unless it is a legal document or is difficult to replace or duplicate. Then it should be kept in a safe-deposit box or possibly left with your attorney.

Plan and evaluate the need for storage of all papers to determine which should be discarded and which should be stored and where. Make the decision and file each paper accordingly. Do not just stack papers and plan to return to them later. This is the way things become lost and cause you to waste valuable time in searching for or replacing them.

A home filing system with a space provided for the important things is the key to managing the mass of family papers. Items to be kept at home do not call for fancy filing cabinets or for special "offices." A "business corner" can be set up in any room in the house. A cardboard drawer or metal box can serve adequately for storage of bills and family papers. Filing systems must be planned to meet your needs. You may not need detailed files at the present time. But remember, every type of important paper should be assigned a certain space and kept there until needed.

The following guide to record-keeping will help you work out a personalized and efficient system for preserving and safeguarding important family papers. Moreover, it will provide a handy reference for deciding what items to keep, why you need to keep them, how long to keep them and where they should be kept.

You will note that duplicate copies of many family papers should be kept at home for immediate reference. Important reasons for storing some family papers at certain locations are explained beside each category. However, you must make the final decision about where you will store your documents.

Records to Keep at Home

Most records discussed here should be kept for long periods of time. Before you decide to toss any out,

look them over carefully to see if any are permanent or semi-permanent records.

What to Keep Why and How to Keep

FAMILY RECORDS

Education & employment-- List education and job experiences. Evidences of qualifications for certain work, reliability and tenure. Keep to determine retirement benefits.

Family advisors-- List of names, addresses and telephone number of each. Ready reference when medical, legal, etc.) need arises.

Insurance Policies-- List information for each policy. Review yearly.

1. Automobile-- Reference for coverage. Keep until car sold or policy expires.
2. Personal liability-- Reference for coverage. Keep until policy expires.
3. Property-- Reference for coverage. Keep until property sold or policy expires.
4. Life-- Reference for coverage. Keep until policy expires or is redeemed.
5. Health-- Reference for coverage. Keep until policy expires.

Health records Physicians' names and addresses who have record of each family member.

Licenses to practice-- Usually displayed. Keep copy in a safe place.

PROPERTY RECORDS

Automobile-- Certificate of title and bills of sale. Keep until you dispose of car. Essential for transfer to new owner when car is sold.

Guarantees and warranties-- For proof of date of purchase; to determine service and parts guaranteed. Keep until no longer valid.

Household inventories-- Keep list up-to-date as you dispose of or add household items. Record item, cost and date of purchase or sale. For insurance claims to establish values; net worth statements. Pictures of items very helpful when making claims. Make a copy also for safe-deposit box.

Instruction books-- For reference on use and care. Keep until sold or discarded.

FINANCIAL RECORDS

Account books-- Record of income and expenditures. For reference and comparison. Useful to determine net worth.

Bank statement --As documents of proof for income tax.

Canceled checks Sort them and save those needed for income tax deductions; proof of important payments. Keep checks for tax purposes at least five years.

Credit cards --Keep a list of names and addresses of issuing company, plus card number, if any. In case of loss or theft notify nearest office of company immediately by telephone or telegraph. Give your name, address, number of card, where and when you think it was lost or stolen--and whether you reported loss to police. Follow up with a letter giving same information.

Home improvement records --Retain all records for at least 3 years after report of sale of house is made on tax return.

Receipts and receipted bills-- Proof of payment. For charge accounts until that are tax deductible. May also be useful in filing insurance claims to prove value.

Safe-deposit box item list-- Revise list annually. For the information of family members.

Savings-- Pass books or statements. List of accounts and numbers should be in safe-deposit box.

Tax returns-- Keep copies of every federal, state and local tax return. Keep vouchers and accompanying papers accessible for at least five years.

LEGAL RECORDS

Living will-- Copy at home. Also with medical records.

Will (copy)-- Unsigned copy for home reference should questions arise.

Durable power of attorney-- Gives others the power to make health care or business decisions when you are no longer able to make decisions on your own.

Permanent and Semi-Permanent Records

Keep in a safe deposit box, with a list of contents of box in file at home.

What to Keep Why and How to Keep (Keep indefinitely unless otherwise noted.)

FAMILY RECORDS Keep a copy of inventory of important family records also in home file.

Adoption paper(s) and A copy may be kept at home. To prove ages to start to school; for obtaining birth certificates some jobs; to obtain driver's license; for marriage license; for registering to vote; to qualify for Social Security benefits; to obtain passports; to determine estate heirs.

Church-- Baptismal and confirmation certificates. Acceptable evidence of birth date when obtaining a delayed birth certificate. Copies may be kept in home files.

Citizenship-- To obtain certain types of jobs; to obtain passports; prove eligibility to vote.

Copyrights and patents-- Proof of ownership rights.

Death certificates-- Proof of death for social security benefits, estate settlement.

Divorce decree-- To clear legal requirements for remarriage.

Employment record-- To obtain retirement and other job benefits. Proof of spouse earnings may be necessary for estate tax saving.

List of insurance policies-- List of policy numbers, name of each insured, beneficiary, company, agent. Reference for kinds and amounts of coverage. Keep until collected or expires. Records of payments and premiums. Location of policy. Record of claims. Duplicate policies can be obtained. Policies should be kept in home file.

Marriage records-- For proof of marriage to collect insurance. To collect social security. To settle estate, veteran's federal benefit pension compensations.

Military records-- Order to active and inactive duty, commissions, medical treatment or disability, papers connected with claims for benefit. Some authorities recommend that discharge certificates be recorded by county or city clerk to create additional official record in case the original is lost. Include all documents connected with the G.I. Bill for education. Necessary to qualify for veteran's benefits.

Passport-- Required for most travel outside the country. Hold on to your expired passport, which could be used to satisfy some application requirements for a new one.

Social Security card-- Keep copy of card or number from card. Will be needed when you apply for benefits.

Wills (copy)-- Copy may be kept in box for reference. Essential for settlement of estate. Original can be kept with attorney or clerk of court.

PROPERTY RECORDS

Abstract for real estate-- Keep until property is sold. To prove clear title.

Automobile title, bill of sale-- Proof of ownership.

Burial lot deed-- Note on it the number of plots. Proof of ownership.

Deeds and mortgages-- Include title policy; property insurance policy; mortgage; receipts for payments on mortgage. Keep records of improvement to compute capital gains or losses. Record day, month and year you acquire or sell property; gross sale price; depreciation; legal fees and expense of sale. For income tax and estate tax purposes.

FINANCIAL RECORDS

Contracts, notes, debts-- Includes promissory notes, mortgages, installment contracts, liens, and chattels either collectable or payable and evidence of status for estate settlement.

Government bonds-- Keep written record at home of issuing date; complete serial number; denomination; co-owner, if any; and after redemption amount received. Needed for (1) income tax; (2) for gift tax report if you give it away; (3) for ease of replacement in case of loss; (4) for ease of settlement of your estate.

Household inventory-- A description of article, date purchased and purchase price. Keep up to date as you dispose of or add new items.

Investments-- List of saving accounts, location and numbers. Keep a list in safe-deposit box and at home of stocks, bonds and real estate investments, together with all pertinent details. May leave stocks, bonds or other securities with broker. Needed for evaluation of estate and income tax.

Pension and profit sharing-- Records should note dates and amount of employer and employee contributions plans and payments and benefits received or payable.

Papers To Carry With You (Make a list of these for your home file)

Item and Suggested Uses

Credit cards Identification. To charge purchases.

Driver's license Identification and evidence of legal eligibility to drive.

Uniform donor card To donate body organs. To donate body to medical school or training program for use in medical education or research.

Identifications:

Blood type Emergency treatment. Place note in household files for ready reference in case of loss.

Diabetic Emergency treatment.

Epileptic Emergency treatment.

Medicare or insurance card For identification to receive benefits when admitted to hospital.

Item and Suggested Uses

Personal ID Name, address and telephone for yourself and of person or persons to be notified in case of emergency.

Doctor preferred Name, address and telephone numbers in case of need of emergency treatment.

Organization membership Identification and proof of membership.

Social Security card Identification. Number should be listed among papers at home together with address of national headquarters, in case you need to make inquiry about status of account or card is lost. Keep a copy of card in safe-deposit box.