



## Getting Your Records in Order

# Organizing Household Records

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Tornadoes are a fact of life in Oklahoma. They make us aware that everything we own could be gone in an instant. Documenting personal property and safeguarding important records are vital steps for disaster recovery. Having a plan in place will reduce the stress of a very difficult

time if it happens to you. Even if you are fortunate enough to avoid disasters, being organized will help manage the activities of daily life with much more ease. You will not have to search for the bank statement or utility bill that is due next week. The thought of going through stacks of papers accumulated over a long period of time can be overwhelming. Just remember a journey of a thousand miles begins with a single step. Relax and take comfort in knowing that getting organized is a process that can be broken into manageable steps. Let's get started.

### Organize Your Home Office Space

First create a space to work. Many people do not have the luxury of a separate room to serve as a home office. The goal is to find a location in your home that works for you. Some people like a quiet spot, such as the corner of the master bedroom. Others like their home office to be in the center of activity, such as in the kitchen or the family room. Once you find a location, here is a sample list of items you will need:

- Table, desk or some other flat work space
- Good lighting
- Comfortable chair
- Office supplies (file folders, envelopes, stamps, paper, paper clips, stapler, tape, pens and pencils, blank computer DVDs or flash drive)
- Access to electrical outlets
- File box, drawer(s) or cabinet
- Telephone
- Wastebasket
- Shredder

*A shredder is very important!* Please invest in a shredder if you do not have one. Identity theft is a significant problem in today's society. It is critical to completely destroy all unnecessary documents with any personal information.

Oklahoma Cooperative Extension Fact Sheets  
are also available on our website at:  
<http://osufacts.okstate.edu>

**Check your credit report.** You can receive a free copy every 12 months from each of the three credit reporting agencies at <http://www.annualcreditreport.com>. Shred all unsolicited credit card and insurance offers. To stop these offers, go to <http://www.OptOutPrescreen.com>.

It is not necessary to put your computer and printer in your home office space. If the whole family shares the computer and printer, it may be better to put these items in another location. This way, other family members do not have to worry about disturbing your records.

Decide which family member will be in charge of the home office. In some families, one member naturally emerges as the one who is good at managing the bills; in others, couples divide up tasks. It is also important to inform someone outside of your household (a close relative, friend or neighbor) where records are kept.

### Identify and Inventory Important Papers

Now that you set up your home office, the next step is to identify and inventory all important papers. The following is a list of some of the papers to collect:

- Adoption papers
- Advisors and contacts list
- Baptism and other religious activities records
- Birth certificates
- Business ownership papers
- Citizenship and naturalization papers
- Credit card information
- Credit report
- Death certificates
- Divorce papers
- Education records
- Employment history/payroll stubs
- Financial accounts/investment records/pension plans
- Funeral and burial plans and records
- Household property inventory
- Income and expense records
- Insurance policies
- Marriage certificates
- Medical records and family medical history
- Memberships and subscriptions

- Military records
- Net worth statements
- Passports
- Powers of attorney
- Property appraisals, deeds and titles
- Safe deposit box inventory
- Social security cards and numbers
- Tax records
- Utility records
- Veterinary records
- Warranties, guarantees and owner manuals
- Wills and trusts

You may want to create a file or notebook for each category of papers. For example, folders may be labeled Medical Records and History, Medical Insurance, Dental Insurance, Bank Statements and IRA. If you need to save receipts for compiling tax returns, it is a good idea to put them in labeled envelopes or file folders, such as Business Expenses or Prescriptions. When tax time rolls around, the work will be much easier.

An easy way to create a household inventory is to use a digital camera to take pictures or a video of your belongings. Store these in a computer file, along with descriptions (including serial numbers, purchase date, original cost and estimated current value) with each of the pictures. If a video of everything is recorded, you can talk about these things as you record. Do not just keep this file on your hard drive; store it on a DVD, external hard drive, cloud storage system or flash drive. Put the flash drive in a safe place that is easily accessible if you need to evacuate. Print out the inventory list and keep a copy of it off-site, such as in a safe deposit box.

To help make this task easier, the Insurance Information Institute offers free home inventory software at <http://www.knowyourstuff.org>. You must register to use it, but it allows you to email your inventory list to anyone you choose, such as an advisor, a family member or friends. For each room of your house, upload files containing digital photos and scanned receipts of all the items in that room. Digital photos of the exterior of your house can also be added.

KnowYour Stuff Home Inventory data is stored on Amazon Secure Servers so you do not have to worry about unauthorized users gaining access to your information. The data will remain there until you cancel your account. Your data will be purged from the system 30 days after cancelling your account.

Some records are accessed more often than others. You may frequently use credit card, utility bill, bank statement and insurance files. Keep these files close at hand. Other records not accessed as often, such as tax records, employment history, educational records and credit report should be safeguarded as well, but they can be at the bottom of the file box or in the back of the file cabinet. If possible, store these less-accessed records on computer DVDs or flash drives. They will take up less storage space and can be easily taken with you if you need to evacuate.

Some records are extremely hard to replace such as birth and death certificates, business ownership papers, citizenship and naturalization papers, marriage records, wills and trusts and property deeds. These records should be placed in a safe deposit box. They can also be put in a home safe, but keep in mind that most home safes are not tornado-proof.

Be careful what you put in your wallet. Only carry those items that you need to keep with you at all times, such as your driver's license, one or two credit cards used most often, health and dental insurance cards and special medical information. Keep a photocopy of these items in your home office just in case your purse or wallet is stolen. Do not carry your Social Security card with you. If you are on Medicare, and your Medicare card has your Social Security number on it, only carry it with you on the days you need it at the doctor.

Finally, have a plan in place for transporting your records in case you need to evacuate. Invest in an expandable file folder or carrying case in which you can place your files and computer drives and leave as quickly as possible. Since external hard drives have become so inexpensive, consider getting two. Store one off-site and update often.

## How Long to Keep Papers

Several factors determine how long it is appropriate to keep important papers. These include the paper's origin or source, intended use and required access. Consider these recommended guidelines:

### Keep Indefinitely

(Permanent or original records that do not change with time) Examples include:

- Birth certificates
- Marriage records
- Death certificates
- Adoption papers
- Military discharge
- Citizenship and naturalization papers

### Keep for Multiple Years

(Records for proof of payment or transactions) Examples include:

- Tax returns with documentary proof (keep for a recommended three to six years; IRS Publication 552 has more details)
- Title to car until it is sold or transferred
- Receipts and owner's manuals for major appliances until they are replaced
- Passports (keep until renewed)
- Mortgage contract and receipts for home improvements until mortgage is paid in full and house is sold or all claims of major damage are settled
- Deeds until the property is sold or transferred
- Investment documents (keep records until investment account is closed; keep annual retirement account records)

### Keep for One Year Minimum

Examples include:

- Bank and/or credit union statements
- Utility statements (good for calculating average monthly utility costs if you decide to sell your home)

- Credit card statements (even if they are accessible online)
- Other household budget records
- Homeowner or auto insurance policies until they expire and new policies are put into effect

### Keep Temporarily

(Items that await an action to disqualify their further usefulness, usually less than a year). Examples include:

- Billings paid in full
- Credit card receipts until they are matched with the bill (keep for 60 to 90 days in case you need to return the item)
- ATM receipts and other bank transaction slips until they are matched with your statement

From time to time, some of your household papers will need to be updated. Make it a habit to review your important papers annually. It is a good idea to set up the same time each year to do this, such as at tax time, the start of a new year or during a holiday. Here is a list of possible things to consider in your annual review:

- Are there items you need to add to your household inventory list that you purchased over the year? Do you need to remove any items that you have sold, donated or thrown away?
- Does your estate plan need updating?
- Is your asset allocation strategy for your retirement portfolio still holding or do you need to rebalance your portfolio?
- Have you updated your medical history and your medical records?
- Has your list of advisors changed?
- Have you added or changed financial institutions?
- Have you added or cashed in insurance policies?
- Do you need to change beneficiaries on any of your insurance or financial accounts?
- Have there been any significant changes in your family such as a birth of a child, marriage, or deaths?
- Have you made any improvements to your property? Have you filed these records?

Many household records are replaceable, some quite easily. Your insurance company can send you another copy of your insurance policies and your bank can send you copies of cancelled checks and back statements. However, some documents are much harder to replace; as mentioned

above, hard-to-replace documents belong in your safe deposit box. Please keep in mind that there may be a fee charged for these replacement documents. Important information on how to replace some of those documents can be found at the website <https://www.usa.gov/replace-vital-documents>

### Setting Goals

Organizing your important papers is something you are not going to do overnight. You need to set realistic goals. Break this task up into smaller, more manageable goals. Here is an example:

#### Short-Term Goals

(Complete in less than three months)

- Set up your home office. Find your space and assemble your supplies.
- Order a copy of your credit report.
- Rent a safe deposit box at the bank.
- Begin to inventory and organize papers—determine which records you need to replace.

#### Intermediate Goals

(Complete in three to six months)

- Complete household inventory. Borrow a digital camera or video recorder if you do not have one.
- Set up a cloud storage account like dropbox or google cloud.
- Add scanned copies of documents to your cloud storage folder.
- Complete your inventory and organization of files.
- Set up an appointment with your attorney to write or review your will.
- Finish replacing important records you have lost.

#### Long-Term Goals

(Complete in a year or more)

- Develop a system to track your expenses. Consider using personal recordkeeping software.
- Establish a regular annual time to review your records.

### Resources

Insurance Information Institute: <http://www.iii.org>  
 Internal Revenue Service. (2011). Publication 552: Record-keeping for Individuals. Available at: <http://www.irs.gov/pub/irs-pdf/p552.pdf>

## The Oklahoma Cooperative Extension Service

### *Bringing the University to You!*

The Cooperative Extension Service is the largest, most successful informal educational organization in the world. It is a nationwide system funded and guided by a partnership of federal, state, and local governments that delivers information to help people help themselves through the land-grant university system.

Extension carries out programs in the broad categories of agriculture, natural resources and environment; family and consumer sciences; 4-H and other youth; and community resource development. Extension staff members live and work among the people they serve to help stimulate and educate Americans to plan ahead and cope with their problems.

Some characteristics of the Cooperative Extension system are:

- The federal, state, and local governments cooperatively share in its financial support and program direction.
- It is administered by the land-grant university as designated by the state legislature through an Extension director.
- Extension programs are nonpolitical, objective, and research-based information.
- It provides practical, problem-oriented education for people of all ages. It is designated to take the knowledge of the university to those persons who do not or cannot participate in the formal classroom instruction of the university.
- It utilizes research from university, government, and other sources to help people make their own decisions.
- More than a million volunteers help multiply the impact of the Extension professional staff.
- It dispenses no funds to the public.
- It is not a regulatory agency, but it does inform people of regulations and of their options in meeting them.
- Local programs are developed and carried out in full recognition of national problems and goals.
- The Extension staff educates people through personal contacts, meetings, demonstrations, and the mass media.
- Extension has the built-in flexibility to adjust its programs and subject matter to meet new needs. Activities shift from year to year as citizen groups and Extension workers close to the problems advise changes.

Credit for original content goes to Eileen St. Pierre, retired Assistant Professor and Personal Finance Specialist, Oklahoma State University.

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