Organize

Organize, Communicate, Prepare

Organize Your Records

K-STATE Research and Extension

Legally Secure Your Financial Future: Organize, Communicate, Prepare

Cindy Evans
Family & Consumer Sciences Agent
K-State Research & Extension – Shawnee County
785-232-0062 ext 103

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Organize Your Important Papers

Does this remind you of YOUR home office?

Covered In This Session

- How to Get Organized
- What Papers to Keep & Where to Keep them
- How Long to Keep Papers
- Replacing Important Papers
- Make a Plan

Benefits of Organized Records

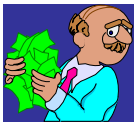
- Information easily accessible
- Provide proof of transactions
- Indicate what is needed to complete records/legal preparations
- Assist personal representative of your estate
- Provide peace of mind

Getting organized

Getting Started

- Start with today's papers
- Stop feeling guilty about yesterday's stacks
- Forget the backlog, at least for now

"Once you get started, organizing the rest won't be so difficult."



Choosing the Place

Establish a work area

- Comfortable location
  - ✓Near family action - family room
  - ✓Quiet place – bedroom
  - ✓Small children - near their play area
- Good lighting
- Comfortable Chair

The Right Tools

- Pencils, paper, envelopes, etc.

- Something to file in
  - ✓In box - items you haven't looked at
  - ✓Out box - items to be given to someone else
  - ✓To-file box - items to be filed

The Round File

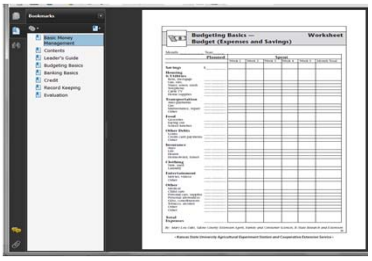
- Open mail next to wastebasket or shredder
- Get name removed from junk mail lists

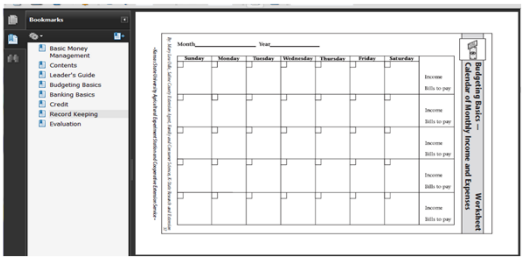
DMA Corporate & Social Responsibility
1615 L St. NW, Suite 1100
Washington, DC 20036
www.dmachoice.org

Who?

- Record keeping may be shared, or
- One person takes major responsibility
  - ✓Communication is important
  - ✓Others need to know the system

- If you are not the usual bill-payer in the household, do you know when the household bills are due?





What papers to keep and where to keep them

Types of Information to Keep

- Personal and Family
- Property
- Financial
- Legal

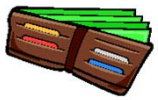
Where to Keep Important Papers

Store records in 3 places:

1. Wallet

2. Home files

3. Safe deposit box

What's In Your Wallet? 

Take 2 minutes to list (from memory) the items you have in your wallet

- Write one goal to organize your wallet

Your Wallet

- Personal ID
- Driver's license
- Credit cards
- Medicare or health insurance card
- Blood type & special medical information
- Organ donor card
- Name and phone of family physician
- Auto insurance card (can be kept in vehicle)

Storage of Home Files

- Current files: day-to-day records
  (bank account information, bills and receipts, loan agreements, some medical information)
- Permanent files: on-going records used infrequently
  (employment and education records, health benefit information)
- Dead storage: anything uncomfortable discarding
  Store in less accessible drawers or boxes
  (old tax records, real estate you've sold)

Personal & Family Records to Keep at Home

- Names, addresses and phone nos. of relatives
- Names of advisors (insurance agent, financial adviser, accountant, attorney, neighbors)
- Location of valuable papers (see Record of Important Papers)
- Location of safe deposit box and key
- Location of CDs, flashdrives, videos, photos for inventories
- Computer passwords and file names

Personal & Family Records to Keep at Home

From *Organize Your Important Papers* handout

- Insurance policies
- Health records
- Education records
- Employment records
- Licenses to practice

Personal and Family Records to Keep at Home, cont.

- Subscriptions
- Organizational Memberships
- Location and identification of valuables and collectibles
- Funeral plan documents and letters of last instruction

Property Records to Keep at Home

- Motor vehicle records (Vehicle serial #, purchase price and date, title information, bills of sale)
- Equipment warranties, guarantees, and instruction books

Property Records to Keep at Home continued

- Household Inventory
  Reasons for a household inventory
  - ✓Amount of insurance to purchase
  - ✓Basis for filing insurance claims
  - ✓Evidence of ownership
  - ✓Value of possessions – net worth statement

  Review interactive household inventory

Financial Information to Keep at Home

- Earnings records
- Account records from financial institutions
- Credit and debit card information
- Personal tax returns
- Retirement benefits
- Notes and money owed

Financial Accounts Section

Current Files

- Banking (statements, cancelled checks, deposit slips)
- Bills to be paid
- Credit card statements and receipts

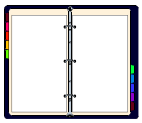
Financial Accounts Section

Permanent Files

- Credit records
- Pension or retirement information
- Contracts, notes, debts
- Tax information
- Investments

Stocks, Bonds and Mutual Funds

- Accurate Records
  - ✓Tax purposes



3-ring binder or file folders

- Make a section for each investment
- Original confirmation statement
  - ✓Original cost
  - ✓Running tally of all transactions
  - ✓Copy of 1099 form

Financial Records for the Home File

- Safe Deposit Box inventory (copy) The safe deposit box may be the best place to store important financial, family and legal records, but keep a COPY in the home file.

Home and Real Estate Records

- Housing records including utility deposits, rental agreements, property tax records
- Records of your home purchase and property improvements *(Note: Current tax law allows you to exempt $250,000 of profit for S or $500,000 profit for MFJ)*
- Other real estate
  - ✓ Burial plots
  - ✓ Timeshare information

Legal Records for the Home File

- Living Will – original with additional copies made
- Will and/or trust - copy
- Durable Power of Attorney for health care and financial decisions - copy
- Personal representative (executor-trix) and guardian appointments
- Social Security Card

- Write one goal to organize your home files

Records Requiring Secure Storage

- Guideline: Put the document in a home safe or safe deposit box if you can't replace it or if it would be costly or troublesome to replace.

Many items can be replaced rather easily. Copies of insurance policies can be obtained from your insurance companies. Copies of cancelled checks are usually available at your bank or online.

- Everyone Stand Up!

Stay standing if you have a home safe or safe deposit box…

Safe Deposit Box or Home Safe

Anything you can't replace or would be costly to replace

Personal Information

- Social Security card
- List of insurance policies
- Passport
- Baptismal and Confirmation records

Property Information

- Abstracts and deeds for real estate
- Vehicle titles
- Household inventory
- Burial lot deed

- Have you checked the beneficiaries on your:
  - Certificates of deposit
  - Investment accounts
  - IRAs, 401(k), annuities
  - Bank account
  - Titled properties
  - Life insurance

- Did You Know….

  KPERS has a $4000 death benefit for retired members?

  If the benefit is pre-assigned to a funeral home (vs. taking the payout to an individual), you can save $800 in taxes.

  A pre-assignment form can be found on KPERS web site at www.kpers.org/forms

Safe Deposit Box or Home Safe

Anything you can't replace or would be costly to replace

Financial Information

- Government bonds or certificates with monetary value
- Copies of some investment information
- Mortgages, rental agreements, contracts, liens

Legal Documents

- Wills
- Citizenship papers
- Certificates (birth, marriage, death)
- Adoption papers, divorce decrees, military records
- Advance Directives – Health Care & Finance
- Contracts
- Copyrights/patents

- Write one goal to organize records for your safe deposit box or home safe

How long to keep papers

How Long is Long Enough?

- Decision of what to keep can be difficult
  - ✓Newsletters vs. birth certificates
- Date all information when it goes into the file

Keep These Document Indefinitely

- Birth & Death certificate
- Adoption papers
- Marriage records
- Divorce decree
- Military records
- Social Security card

How Long to Keep Insurance Records

Keep as a reference of insurance coverage in permanent files

- Property
- Vehicle Insurance

- Personal Liability
- Life Insurance
- Health/Disability Insurance

How Long to Keep Tax Records

- Income tax records, worksheets, and documentation of deductions
  - ✓IRS recommends 3-6 years
- Keep records as long as needed for administration of the IRS code
- Tax records often useful in situations where financial history is relevant

IRS says----

	IF you...	THEN the period is...
1	Owe additional tax and (2), (3), and (4) do not apply to you	3 years
2	Do not report income that you should and it is more than 25% of the gross income shown on your return	6 years
3	File a fraudulent return	No limit
4	Do not file a return	No limit
5	File a claim for credit or refund after you filed your return	Later of 3 years or 2 years after tax was paid.
6	File a claim for a loss from worthless securities	7 years

Source: Internal Revenue Service, Pub 552

Replacing important papers

Lost, Stolen or Destroyed Birth Certificate

- Contact the Kansas Department of Health and Environment, Vital Statistics at http://www.kdheks.gov/vital/ or order certificates online at http://www.vitalchek.com
- Information needed
  - Name of record, date of birth, place of birth (city or county), father's name, mother's name (including maiden name)
  - Certified birth, death, divorce, and marriage certificates are $15 each. Death certificates can only be ordered by a member of the immediate family (or mortuary acting on your behalf).
  - $11.00 processing fee when paying by credit card.
  - In Topeka call 785-296-1400

Make a plan

Get Started

Make an appointment with yourself

Regular weekly schedule

- ✓Stick to it
- ✓Regular time for organizing records

Summary

Start Now!

- Make a plan
  - ✓Get organized
  - ✓Replace missing items
  - ✓Make Appointments
- Complete inventory
- Update annually

Credits

This lesson was developed by the *Legally Secure Your Financial Future: Organize, Communicate, Prepare* team.

This is a program of the Cooperative Extension *Financial Security in Later Life* national initiative. Information is available at www.csrees.usda.gov/fsll

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