

12 Recordkeeping Guidelines



Tax Returns - You should have eight files, one for each of the last seven years plus one for the current year. Mark the year on each file and put all of that year's important tax documents, such as W-2 forms, 1099s and a copy of all tax returns you filed for that year inside. If you have used a tax-preparer in the past, you may need to request back copies. Keep old tax records for at least seven years, as this is the IRS's statute of limitations for audits. If the IRS suspects tax evasion, there is no limit to how far they can go back.

Retirement Accounts - Create a file for each retirement account you own. Be sure to create separate files for IRAs and 401(k) plans labeling each file with the owner's name. Inside you will want to file your quarterly statements. If you receive a "year-end summary" you may replace the quarterlies for that year. If you have a company retirement account, be sure to retain your enrollment information which includes your investment options and vesting schedule. These should be reviewed at least annually.

Social Security - Put your most recent Social Security benefits statement in this section. If you haven't received one in the mail, go online to www.ssa.gov to request one. If you do not have Internet access, call 1-800-772-1213.

Investment Accounts - In this section, you need files for each investment account you and your partner own. If you own accounts individually as well as jointly, you need a file for each registration. Place all statements and trade confirmations in these files. If you receive a "year-end summary" you may choose to replace these items with the summary each year.

Checking and Savings Accounts - If you own separate checking and savings accounts, create a file for each of them. Place your monthly statements and cancelled checks in these files.

Household Accounts - If you own your home, you should have the following files: Deed, in which should be a *copy* of your deed (the original should be in your safe deposit box - if you cannot locate your deed, call your real estate agent or Title Company); Home Improvements, in which will be copies of all receipts for home improvements (home improvements

can be added to the basis of your house when you sell it - you should keep these receipts as long as you own your home); and, Mortgage/Lease in which you should place your mortgage statements. If you rent, these files should contain your lease, receipt for your security deposit and receipts for monthly rent. If you have a HELOC (Home Equity Line of Credit), make a separate file for it as well.

Credit Card Debt – Create a file for every credit card you own. Keep your monthly statements and payment records here to help with tax returns.

"Other" Liabilities - Any debt that has not already been labeled goes here. For example, student loans, car loans and personal loans. Each debt should have its own file with your loan documents and payment record inside.

Credit Reports - Go to <https://www.annualcreditreport.com> and request a copy of your credit report. If you do not have Internet access, call 877-322-8228. You are entitled to receive one free report from all three agencies each year. Be sure to update this information at least annually.

Insurance - Create files for every insurance policy including life, health, dental, car, homeowners or renters, disability, long-term care, etc. Include your policy and payment records in the corresponding file.

Family Will or Trust – Make a file for each of your legal documents including wills, trusts, POA (power of attorney) and your Medical Directives (aka a living will). Place a *copy* of the document in this file along with the contact information for the attorney who drafted the document. Originals should be kept in your safe deposit box.

Children's Accounts - Create files for college savings accounts or other investment accounts that have been established for your children. Place all statements and records pertaining to each account in the corresponding file.

***** END OF YEAR** – To keep your files from getting too bulky, you may choose to combine your records for that year and secure them in a water-tight storage bin. Categories I typically store by year are Retirement, Investment, Checking/Saving, Credit Card and Other Liabilities.