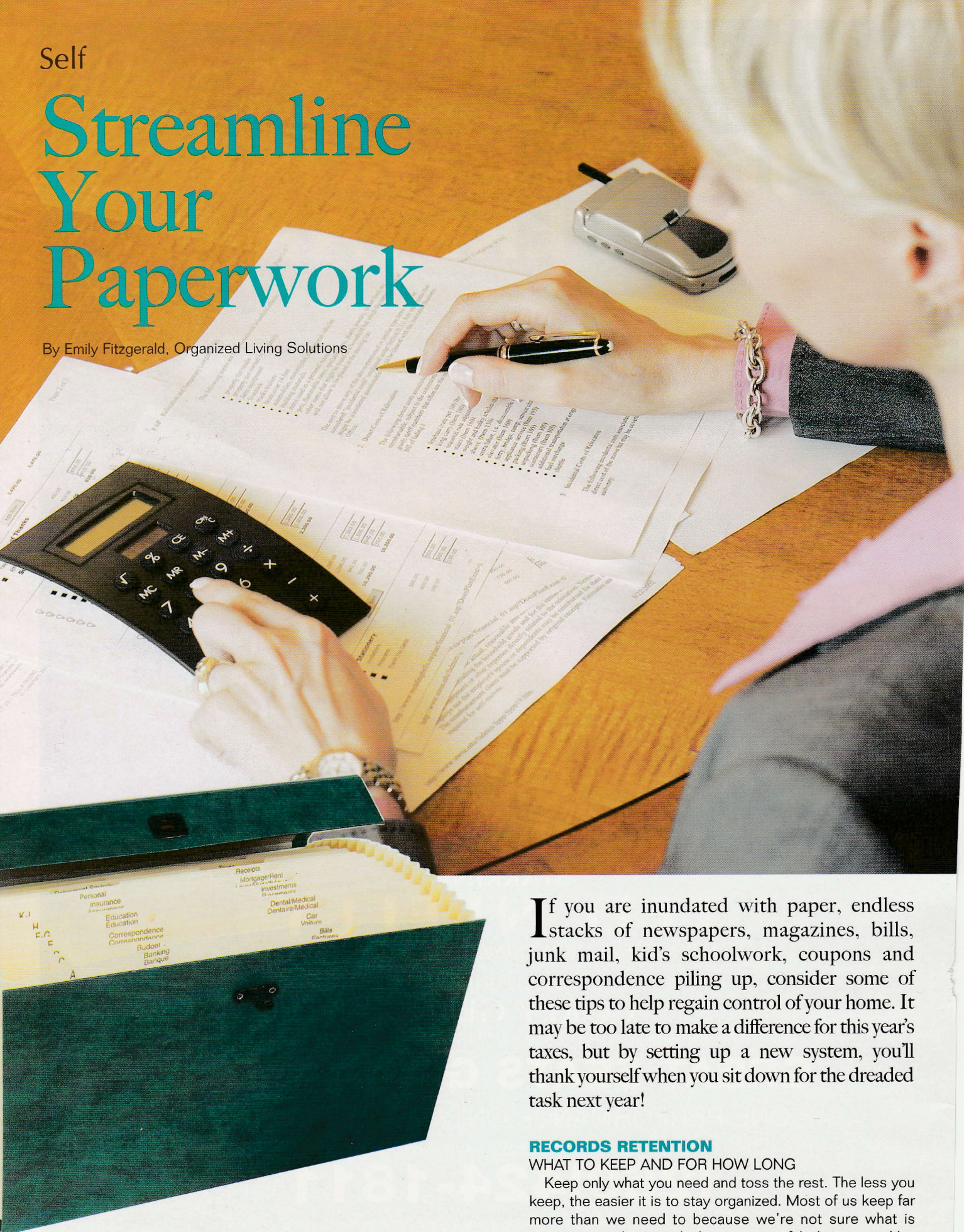


Self

# Streamline Your Paperwork

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If you are inundated with paper, endless stacks of newspapers, magazines, bills, junk mail, kid's schoolwork, coupons and correspondence piling up, consider some of these tips to help regain control of your home. It may be too late to make a difference for this year's taxes, but by setting up a new system, you'll thank yourself when you sit down for the dreaded task next year!

## RECORDS RETENTION

### WHAT TO KEEP AND FOR HOW LONG

Keep only what you need and toss the rest. The less you keep, the easier it is to stay organized. Most of us keep far more than we need to because we're not sure what is imperative to keep and what we can safely throw away. Use these guidelines to set up a system that will work for you.\*



## PERMANENT PERSONAL RECORDS

Keep these records forever:

- income tax returns and records of tax payment
- investment trade confirmations and statements
- legal documents and decrees
- retirement and pension records

## PERSONAL TAX RECORDS

Hold on to these records for six years:

- settled accident claims
- sold property records, contracts and receipts
- supporting documents for tax returns

Hold on to these records for six years only if tax related:

- medical bills
- utility records
- other bills
- sales receipts

## SHORT-TERM PERSONAL RECORDS

Keep this paperwork for three years:

- credit card statements
- medical bills - in case of insurance disputes
- utility records - for internal use only, not for legal reasons

## SPECIAL CIRCUMSTANCES

You should retain these records according to the following guidelines:

- car records - until car is sold
- credit card receipts - until verified on statement which is usually only a month
- insurance policies - for the life of policy
- mortgages, deeds and leases - six years past life of agreement
- pay stubs - until reconciled with your W-2
- property records, contracts and receipts - until property is sold
- sales receipts - keep for tax deductions, for the life of the warranty on the item or

for insurance claims if the item is unique or expensive

- stock and bond records - six years beyond selling
- warranties and instructions - for the life of the product
- other bills - until payment is verified on the next bill
- keep only the year-end statements and pitch the quarterly ones

\*These are general guidelines. Please check with your accountant if you have any special situations such as a home office. For more information, order publication "#552 Recordkeeping for Individuals from the IRS" or view online at: [www.irs.gov/publications/p552/ar02.html](http://www.irs.gov/publications/p552/ar02.html).

## FILE IT AWAY

Try using a desktop file box with folders for the basic categories of papers you need

to keep. Use one without a lid to avoid the "out of sight, out of mind" syndrome. Place it where you typically find yourself opening the mail. If the location is convenient, you will be more likely to keep up with filing and avoid a large stack "to be filed someday."

If you itemize your taxes, an accordion file is another organizational tool. You can label the individual tabs with a different category for each deduction you take. By filing into the basic categories as you go, the end of year panic will be greatly diminished.

## REDUCE JUNK MAIL

To reduce the amount of paper coming into your home in the first place, contact these organizations to remove your name from the lists that solicitors purchase:

DMA Mail preference service (PO Box

282 / Carmel, NY 10512 or [www.dmaconsumers.com](http://www.dmaconsumers.com))

Private Citizen (1-800-cutjunk or [www.privatecitizen.com](http://www.privatecitizen.com))

## CONSIDER GOING PAPERLESS

If you are wasting money on late fees, or simply want to avoid writing and mailing checks, online banking may be the perfect solution. Another option is to set up automatic payments with each individual company. This requires a bit more diligence on your part. These services are being utilized by an increasing amount of households every day, and there are many security features in place to protect your information. Additionally, you can also sign up to receive copies of bills via e-mail, which will also drastically reduce the paper filling your mailbox, especially if these bills are not ones you need to keep.

## PROTECT YOUR IDENTITY

It is a great idea to purge your files and start the New Year fresh, but think twice before depositing paperwork with account numbers straight into the trash! Your trash becomes public property when it is sitting at the curb. With identity theft on the rise, protect yourself by purchasing a personal shredder, or take your bags of papers to Stop & Shred located at 5325 Industrial Road Suite B, a local shredding company that will shred important documents or anything you wish as you watch.

Armed with these organizational tips and guidelines, the daunting task of ridding your home of paper clutter is attainable. By instilling a few easy-to-follow systems, you'll find yourself enjoying the ability to see your countertop while remaining stress free when the dreaded tax season returns. ■