

Organizing Your Family Records

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Have you ever spent hours looking for...

- ♦ An automobile title?
- ♦ An account number?
- ♦ A receipt?

Have you ever had heated discussions about...

- ♦ A bill you thought you had paid?
- ♦ A misplaced appliance-care booklet?
- ♦ A repair record on your car?

Avoid frustration with a functional, well-designed record storage system. Even in today's computer age, paper records are important to you and your family.

Knowing where to find your records saves time and eliminates anxious searching during a crisis. If someone else ever needs to step in and manage your affairs, an organized records system will be extremely helpful to them.

Organizing a system for records storage is a task for new households as well as for established ones. A system not only will help you find important papers easily, but will keep you from accumulating old, useless papers that just take up space.

It's all a matter of knowing which records are important, the reason they might be needed,

how long to keep them, and how to arrange the storage system for easy access.

Preserving records in an organized file system will:

- ♦ Make records easier to find
- ♦ Protect you from someone else's mistake
- ♦ Provide necessary information about past transactions
- ♦ Enable you to furnish proof of events and transactions
- ♦ Protect you in case official records are destroyed, and
- ♦ Save hours of searching

Three essential factors for a successful record system are a specific **place** to keep records, a **routine** for attending to records, and a **person** willing to be responsible for recordkeeping.

The place

It can be as elaborate as a home office or as simple as a corner of the kitchen, bedroom, or hall. Some records may be stored in several locations in your home; others are best kept in a safe deposit box.

It is important that someone other than yourself knows the

location of your records. Use OSU publication EC 1234, *Where Are Your Valuable Papers?*, to list the location of your records.

The routine

This might be a good way to handle papers and records.

- ♦ Daily, open and sort mail. Use a letter holder or file folder to hold unpaid bills and other papers that need filing or other action. Discard junk.
- ♦ Arrange your billings so you can pay all bills about the same time each month. Paying bills by mail saves time, energy, and transportation costs. Never send cash; use checks or money orders. If you pay bills in person with cash, be sure to get a receipt. OSU publication EC 1422, *Paying Family Bills*, may help.
- ♦ At least once a month, review and file receipts, paid bills,

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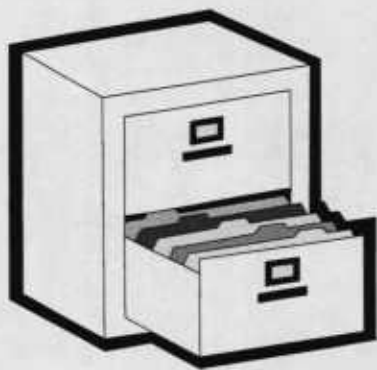


and other important papers. The most efficient method is to set aside uninterrupted time each month for your bill paying, record updating, and filing.

The person

If you live with another adult, you may share this responsibility. It is critical that each of you knows what the other is doing. If one person keeps the records, it's important that the person inform his or her partner where the records are and how they are organized.

Adults living alone should keep a trusted relative or friend informed about their records. Once a year the record keeper ought to initiate an in-depth discussion of the records with his or her partner, grown child, or trusted friend.



Storage equipment

You don't need fancy equipment for recordkeeping.

The average family can manage with a safe deposit box or fireproof safe, a cardboard storage chest, and metal or plastic file boxes or notebooks.

A two- or four-drawer filing cabinet is convenient but not absolutely necessary. File folders

or accordion files are necessary to keep papers separated and in order in the containers or boxes.

Personal record storage

Most personal records, including vital statistical records, are difficult and costly to replace, so give them the best protection possible. This usually means a safe deposit box or a home safe.

Safe deposit boxes

Safe deposit boxes securely keep valuable records that are used infrequently. Many financial institutions have safe deposit boxes to rent. The cost depends on the size of the box.

Usually you pay a deposit for the keys. It's refunded when both keys are returned at the end of the rental.

The company renting you the safe deposit box must use care to safeguard the box and to prevent unauthorized people from accessing it. Beyond that, the company is not liable for the contents of the box.

Some homeowner insurance policies partially cover some of the contents of the safe deposit box. For an additional cost, you can obtain riders to insurance policies to insure specific items in safe deposit boxes.

If you rent a safe deposit box in just your name alone, only you have access rights to the box.

Two or more people can rent a safe deposit box so that each person has right of access. They can choose individual access, in which case any one of the renters has the right of access to the box; or they can choose joint

access, whereby all renters must be present to enter the box.

An individual renter can give another person the power to access the box through an "appointment of deputy" form. The appointment can be revoked at any time and is in effect only if the renter is alive.

If you rent a safe deposit box:

- ♦ Make an inventory of the contents and put the list in your permanent file at home. Keep the inventory current.
- ♦ Check your homeowner's insurance coverage to determine whether it covers the contents of your safe deposit box, and if so, to what extent it insures you against loss. In addition, check the agreement you have signed with the financial institution for any limitations on protection.
- ♦ Tell family members the location and number of your safe deposit box and the location of the keys. Keep duplicate keys in separate places so you don't lose them both.

Home safes

A home safe is another way to protect vital statistical records. However, a safe that protects against both fire and theft is expensive, perhaps \$500 or more.

You can purchase a safe that provides only fire protection or only theft protection. Prices for good fire-resistant safes start around \$200 and increase according to the safe's size and degree of fire protection.

A fire-resistant home safe or file should withstand heat of 1,700°F for at least 1 hour. Look for the Underwriters Laboratory

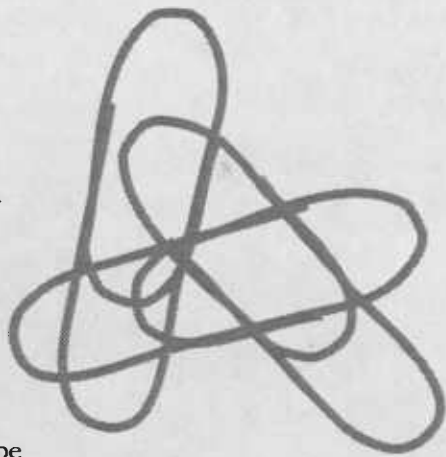
rating tag, which indicates the temperature and length of time the safe will endure without allowing damage to the contents. The type and amount of insulation used in the safe is what makes the safe fire resistant.

Manufacturers use relockers, hard plates, and thick metal to make safes burglar resistant. Prices for a burglar-resistant safe start around \$250. A safe's rating is based on the length of time it would take a professional burglar to open the safe. Ratings on both fire and burglary resistance are important because they affect insurance coverage on the contents. Some safes have their own insurance ratings.

Personal records

Use the following list to determine the personal records you now have readily available and those you need to locate or obtain. Begin to acquire the needed records, and either rent a safe deposit box or get a home safe for storing them.

- ◆ Adoption papers
- ◆ Baptismal and confirmation records
- ◆ Birth certificates
- ◆ Citizenship papers
- ◆ Child custody/support papers
- ◆ Copyrights and patents
- ◆ Death certificates
- ◆ Divorce decree
- ◆ Household inventories
- ◆ Marriage certificates



- ◆ Military records
- ◆ Passports
- ◆ Power of attorney for financial affairs
- ◆ Records of inheritances received

◆ Wills and living trusts

Because of their monetary value and/or rights of ownership, the following records and items also should be stored in a safe deposit box or home safe. Keep records until you dispose of the item.

- ◆ Bonds
- ◆ Family loans
- ◆ Heirloom jewelry
- ◆ Investment certificates
- ◆ Gold and silver bullion
- ◆ Stock and mutual fund certificates
- ◆ Titles to real estate, deeds
- ◆ Titles to vehicles
- ◆ Title and mortgage insurance policies
- ◆ Valuable coins and collections
- ◆ Registration numbers of especially valuable equipment such as firearms

When you dispose of the item, either give the records related to the item to the new owner or put them in your income tax file or in dead storage.

Your home filing system

In addition to a safe deposit box or a home safe, you should maintain three types of home filing systems. These file systems can be classified as **temporary or annual, permanent, and dead storage**. Use them to manage daily financial activities, to make important records available, and to get old records out of the way.

Temporary or annual files

These are for records that accumulate on transactions during the current year. Some records in these files are important and should be filed in the permanent file system at the end of the year.

For example, the summary of your earnings and payroll deductions for the year should be filed in your permanent Social Security file until you know that the correct wage amount has been credited to your Social Security account number. Receipts for tax-deductible expenses become part of your income tax file.

The number of folders in your temporary files depends on your situation. A plastic storage file box with a handle works well for keeping files together and is easy to move to your bill-paying area.

Suggested temporary or annual file headings are:

- ◆ Payroll check statements
- ◆ Wage and salary records
- ◆ Other income: Social Security, pensions, interest, rentals, etc.

- ◆ Canceled checks
- ◆ Child support (paid or received)
- ◆ Bank statements and deposit slips
- ◆ Passbook savings account
- ◆ Paid receipts
- ◆ Budget and expenditures
- ◆ Automobiles (current year)
- ◆ Tax information for itemized deductions (current year). If you have a lot of papers under this heading, it may be helpful to subdivide them. Use a system that fits the tax form and your individual needs; for example:

Business
Medical and dental
Charitable
Child care

Permanent files

The permanent file contains records that are used infrequently but need to be kept. They include those used as proof of ownership or for resale value purposes, income taxes, or future reference.

Permanent files need to be cleaned out and updated periodically. For instance, when you no longer own a car, you no longer need to keep the papers pertaining to it in your file.

Make permanent file organization easier by dividing the files into categories such as:

- ◆ Medical
- ◆ Property
- ◆ Employment and retirement
- ◆ Financial
- ◆ Miscellaneous

The number of files in each division will depend on your situation. Use the forms that begin on page 5 as a guide to determine which files you may need.

Dead storage

After you sort your records carefully and save only those necessary, you probably will have a few records to be placed in dead storage. Dead storage contains records of uncertain value or those you are uncomfortable discarding.

Tax returns more than 3 years old, plus all supporting records, might be in this category. Returns usually will be audited within 3 years. In some cases, an audit may be held 6 years after the return is filed. Therefore, it's wise to keep tax returns and all supporting papers for the last 7 years. Tax returns often contain information about earnings and assets that you may need at some time.

Other papers that belong in the dead storage file include paid installment contracts; security or real estate sales records that are less than 5 years old; and income and/or expenditure records you are keeping for reference, comparison, or management.

Use any sturdy, closed cardboard box for dead storage. Label the box and store it in the garage, attic, or basement. Protect it from moisture and rodent damage.

Discarding records

Some records you discard will have personal information, such as account numbers and your signature. Dispose of these records carefully.

Some people burn them. An alternative is to tear them into several pieces and put them in a closed paper bag in the garbage.

Conclusion

Each household must develop its own record storage system. The general guidelines in this publication can help you organize that system. As you think about your present system, ask yourself:

- ◆ Do I *have* a system?
- ◆ How easy or difficult would it be for other members of my household to figure out my record system?
- ◆ Who besides me knows where to find necessary information about family assets and obligations?

A good record storage system will contribute greatly to your peace of mind and may save you money. Replacing records can be costly in time and money. It also will help your family and friends manage your affairs if you are unable to do so. Those who handle your records will appreciate your organization.

Permanent files

Following are five suggested categories and individual file headings within those categories for organizing your permanent file system. Adapt them to fit your needs.

Medical records

Maintain the following records for each family member in his or her own permanent file.

Type of record	Source and purpose	Have?	
		Yes	No
Immunizations	Obtain from health department or physician's office. Need for school entry, emergency care, overseas travel.		
Prescriptions	Obtain annual printout from your pharmacy. Need for your medical history and for drug-interaction management.		
Allergies	Obtain from your physician. Helps in managing your care and in avoiding possibly life-threatening situations.		
Hospitalizations	Cut off top of hospital billing statement and write on it the dates hospitalized and reason for hospitalization.		
Oregon Advance Directive	Legal document that allows you control over your medical care when you are incapacitated. Forms are readily available from hospitals, Extension offices, and office supply stores.		
Names and addresses of doctors, dentists, orthodontists	Cut off top of billing statement. Need because medicine is more specialized (you have more than one doctor) and because families move (and change doctors) more often.		
Family medical history	Obtain a medical history form from your physician; complete the form, and add information to it as medical events occur. Put copies in each family member's file.		

Medical insurance file headings	Source and purpose	Have?	
		Yes	No
Health policy and information booklet	Obtain from insurer. Use when filing claims.		
Dental policy and information booklet	Obtain from insurer. Use when filing claims.		
Disability policy	Obtain from insurer. Use when filing claims.		

Family pets

Maintain a permanent, separate file folder for each family pet. Pet files might include records of shots, wormings, operations, allergies, registration papers, name and address of veterinarians, and licenses.

Property records

Maintain these records as long as you own or occupy the property.

Home owner file headings	Purpose	Have?	
		Yes	No
Home appraisal, covenants	Awareness of neighborhood regulations and guidelines for maintaining home and yard.		
Home improvements	To help determine real cost of home and your capital gain or loss when it's sold. To prove and support tax returns and insurance claims.		
Well and septic tank location	To avoid contamination of well or destruction of septic drain fields and to pass information on to new owners.		
Home owner's insurance policy	To file insurance claims.		
Mortgage papers	For tax purposes and financial planning.		
Prior-home ownership papers	To compute taxable gain or loss.		

Home renter file headings	Purpose	Have?	
		Yes	No
Tenant insurance policy	To file insurance claims.		
Lease agreement, security-deposit receipts	To know your rights and responsibilities and to ensure that refundable deposits are returned to you.		

Vehicle file headings

Keep a separate file (by make and model) for each vehicle as long as you own the vehicle. Needed for operating, maintenance, warranties, and claims. Include the following information in the file.

- ◆ Service record
- ◆ Insurance policy
- ◆ Owner's manual and key codes
- ◆ Loans
- ◆ Leases
- ◆ Service contract
- ◆ Warranties for car, tires, batteries

Investment file headings

Maintain the records as long as you own the investment and until all tax records pertaining to the disposal of the investments are at least 7 years old.

In some cases, the actual investment instrument will be stored in your safe deposit box or home safe, but the earnings reports should be stored in home files.

- ◆ Annuities
- ◆ Bonds, stocks, mutual funds
- ◆ IRAs, Keoghs
- ◆ Life insurance policies
- ◆ Savings accounts

- ◆ Time deposits and certificates
- ◆ Real-estate and limited partnership agreements

Household goods file headings

Include purchase receipts and warranties. Store user booklets near the item or in the file.

Keep these records as long as you own the goods. They are used for insurance and warranty claims, repairs, and correct operating procedures.

- ◆ Inventory of major household goods

- ◆ Large kitchen appliances and equipment
- ◆ Small kitchen appliances
- ◆ Laundry equipment
- ◆ Personal-care equipment
- ◆ Heating and air conditioning equipment
- ◆ Lighting and lamps
- ◆ Cookware, dishes, silver
- ◆ Furniture
- ◆ Cleaning equipment

- ◆ Entertainment and communications equipment
- ◆ Accessories and art
- ◆ Computer equipment

Other equipment file headings

- ◆ Recreational equipment
- ◆ Outdoor and gardening equipment
- ◆ Power and hand tools

Employment, retirement, and military records

Keep these records for job applications, retirement benefits, and work history.

Each person in the family should have a section in this category; include in it the files pertinent to the individual. Children will have Social Security and academic records. Other records will include:

- ◆ Résumés, dossiers
- ◆ Military, veteran's
- ◆ Salary, promotion
- ◆ Pensions
- ◆ Social Security earnings
- ◆ Retirement, sick leave
- ◆ Transcripts, diplomas
- ◆ Academic achievement and school records

Financial records

Income tax returns plus all supporting papers. Retain permanently or at least 3 to 7 years. Keep a separate file for each year. Need in case of audit by federal or state government and as proof of filing.

Type of record	Source and purpose	Have?	
		Yes	No
Net worth statements	Prepare yearly and keep permanently as part of financial history and progress toward goals.		
Consumer credit contracts	Keep as long as you maintain an account with the company.		
Credit card numbers and notification requirements	Need for reference in case cards are lost or stolen. Keep file current as you add new cards and drop others.		
Social Security earnings record	Call the Social Security office (listed in the government section of the phone book under "United States Government"). Ask for "Request for Earnings and Benefit Statements." Check at least every 3 years. Keep statement in file.		

Miscellaneous

Type of record	Purpose	Have?	
		Yes	No
Safe deposit box inventory	Keep current and retain permanently. Allows for quick identification of records stored in the box.		
Wallet inventory	Keep current. Need in case wallet is lost or stolen.		
Copy of will or living trust agreement	Keep permanently. Allows easy access for personal representative and heirs.		
Inventory of valuable papers	Keep current. Need if someone other than you has to manage your financial affairs.		
Burial agreements	Provides proof of planned funeral arrangements.		
Letter of last instruction	Provides more detail than is in your will about how you want to dispose of your personal belongings. Keep only your most current instructions.		
Genealogy records	Keep permanently, for future generations.		
Copy of wills that obligate you or give inheritance to you	Keep permanently for proof of ownership and for tax purposes.		

For further reading

Where Are Your Valuable

Papers?, EC 1234, by Alice Mills Morrow (Corvallis, Oregon State University, 1998). No charge.

Estate Planning: Your Will, EC 1421, by Alice Mills Morrow (Corvallis, Oregon State University, 1994). 50¢

Helping Your Older Family Member Handle Finances, PNW 344, by Vicki L. Schmall and Tim Nay (Corvallis, Oregon State University, 1993). 50¢

Paying Family Bills, EC 1422, by Alice Mills Morrow (Corvallis, Oregon State University, 1997). No charge.

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