

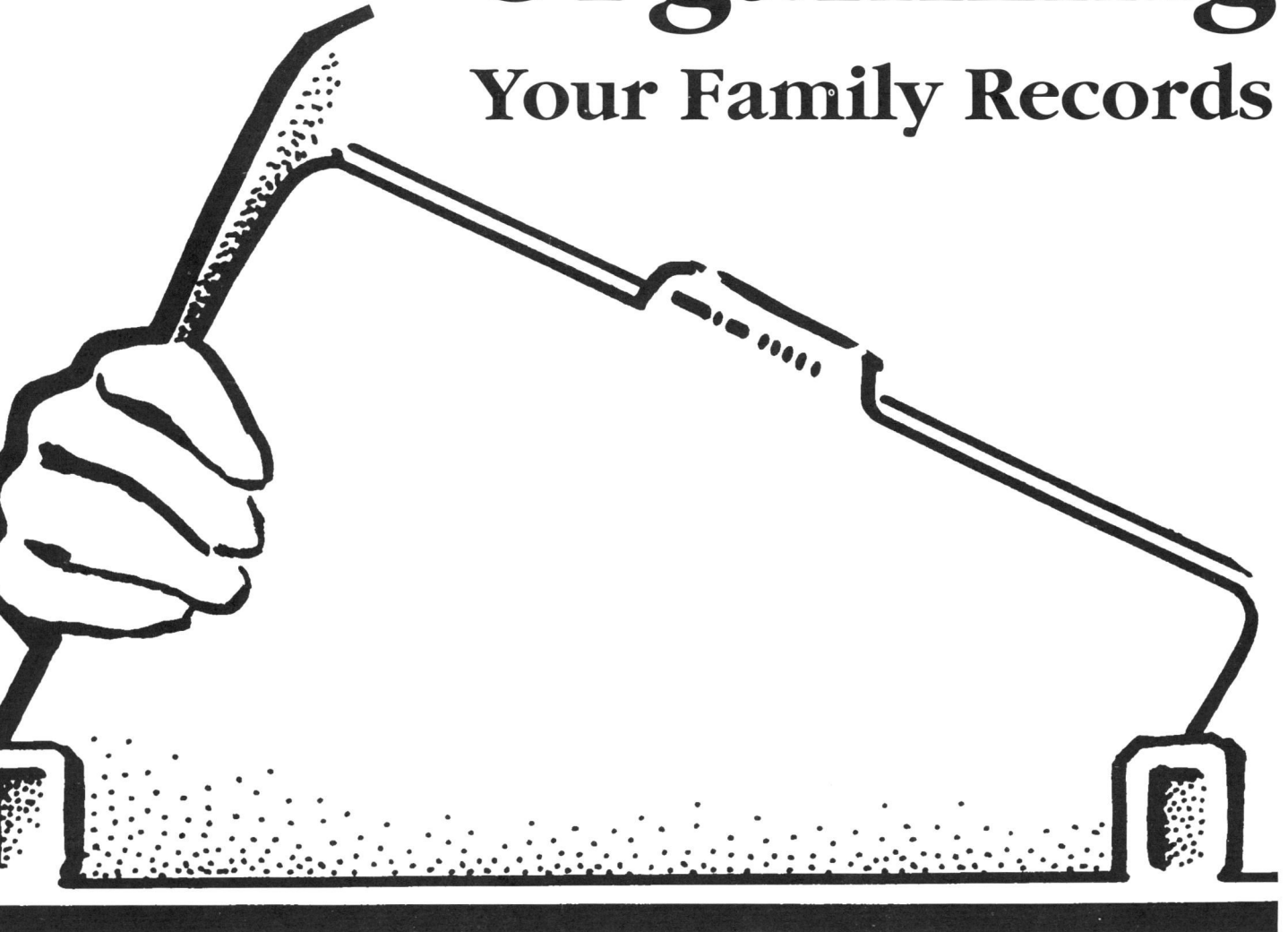
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Organizing Your Family Records



EC 1302
Revised May 1993



OREGON STATE UNIVERSITY EXTENSION SERVICE

Organizing Your Family Records

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Have you ever spent hours looking for...

- ♦ an automobile title?
- ♦ an account number?
- ♦ a receipt?

Or have you ever had heated discussions about...

- ♦ a bill you thought you paid?
- ♦ a misplaced use and care booklet?
- ♦ a repair record on your car?

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

Knowing where to find your records saves time and eliminates anxious searching during a crisis. Never forget that someone else may have to step in and manage your affairs; an organized system for your records will be extremely helpful to them.

Organizing a storage system for records is a task for the newly formed household as well as the established one. A system not only will help you find important papers easily, but will prevent you from accumulating old, useless papers that occupy needed storage space.

It's all a matter of knowing which of your records are valuable, the reason they might be needed, how long to keep them, and how to arrange the storage system for easy access.

Preserving certain records in an organized file system will:

- ♦ make your records easier to find,
- ♦ protect you from someone else's mistake,
- ♦ provide necessary information about past transactions,
- ♦ enable you to furnish legal proof of events and transactions,
- ♦ protect you in case official records are destroyed, and
- ♦ save hours of anxious 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 the recordkeeping.

The place

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

It is important that someone other than yourself knows the location of your records. Extension Circular 1234, *Do You Know Your Valuable Papers?*, available from your local office of the OSU Extension Service, can serve as an inventory listing for the location of your records.

The routine

A good schedule for handling papers and records might be the following:

- ♦ Daily, open and sort, file, or discard mail. Use a letter holder or file folder to hold unpaid bills and other papers that need filing or other action.
- ♦ Try to arrange your billings so you can pay all bills at the same time every month. Paying bills by mail saves time, energy, and transportation costs. It means that you must use a checkbook, but checks do provide proof of payment. If you pay bills with cash, be sure to get a receipt. Extension publication EC 1422, *Paying Family Bills*, may be helpful.
- ♦ At least once a month, review and file receipts, paid bills, and other important papers. The most efficient method is to set aside uninterrupted time each month to combine your bill paying, record updating, and filing operations.

Donna M. Gregerson, Extension home economist, Benton County, Oregon State University.

The person

If you live in a household with another adult, you may share this responsibility, but it is critical that each of you knows what the other is doing. When 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.

Single adults should keep at least one of their children or 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 adult.

Storage equipment

You don't need fancy equipment for recordkeeping. You need a place to store personal records, including vital statistical records, and a filing system and storage containers for other records important for family and household functioning.

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 for keeping papers separated and in order within the containers or boxes.

Personal record storage

Most personal records, including vital statistical records, are difficult and costly to replace. They should be given the best protection an owner can provide. This usually means a safe deposit box or a home safe.

Safe deposit boxes

Safe deposit boxes securely keep valuable records infrequently used. Many financial institutions have safe deposit boxes to rent. The cost depends on the size of the box. A box approximately 2 by 5 by 15 inches costs about \$20 per year; a box 10 by 10 by 30 inches rents for about \$100 per year.

Usually you must pay a deposit for the keys. This deposit is 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 access to it by unauthorized people. Beyond that, it is not liable for the contents of the box.

Most homeowner's insurance policies will partially cover some of the contents of the safe deposit box depending on the limits of the

homeowner's policy. For an additional cost, you can obtain riders to insurance policies to insure specific items in safe deposit boxes.

When someone rents a safe deposit box in his or her own name, only that person has access rights to the box.

Two or more people can rent a safe deposit box with each having right of access. They can choose individual access, in which case any one of the renters, acting alone, 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 for them 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 choose to rent a safe deposit box, do the following:

- ◆ Make an inventory of the contents and put the list in your permanent file at home. Keep this inventory current.
- ◆ Check your homeowner's insurance coverage to determine if 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 of protection.

- ♦ Let family members know the location of your safe deposit box, the number of the box, and the location of the keys. Keep duplicate keys in separate places so you don't lose them both.

Home safes

Having a home safe is another way of protecting vital statistical records. However, a safe that provides both fire and theft protection is expensive; starting costs may be over \$500.

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 size and amount of fire protection.

A fire-resistant home safe or file should be able to 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 the component that 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. Safe ratings are 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.

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

Temporary or annual files are the daily files for records that accumulate or transactions that occur 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 file folders you need in your temporary files depends upon 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/salary records
- ♦ Other income: Social Security, pensions, interest, rentals, etc.
- ♦ Canceled checks
- ♦ Bank statements and deposit slips
- ♦ Passbook savings account
- ♦ Paid receipts
- ♦ Budget/expenditures
- ♦ Automobiles—current year
- ♦ Tax information for itemized deductions—current year. This may be one file, but 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. An example might be:

Business
Medical/dental
Charitable
Child care

Permanent files

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

The permanent files do need to be cleaned out and updated periodically. For instance, when you no longer own something, such as a car, you don't need to keep the papers pertaining to it in your file.

Make permanent file organization easy by dividing the files into the broad divisions of:

- ♦ Medical;
- ♦ Property;
- ♦ Employment/Retirement;
- ♦ Financial; and
- ♦ Miscellaneous.

Again, the number of files in each division will depend on your situation. Use the forms that begin on page 7 as a guide to determine which files you may need. You may need more files or fewer.

Dead storage

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

Tax returns over 3 years old, plus all supporting

records, might be in this category. Returns usually will be audited within 3 years. In some instances, an audit may be held 6 years after the return is filed.

Therefore, it is 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 that are fewer than 5 years old; and income and/or expenditure records you are keeping for reference, comparison, or management.

Any sturdy, closed cardboard box can serve as the dead storage file box. Label it and store it in your 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. Be careful when you dispose of these.

Some people prefer to burn these papers; an alternative is to tear them into several pieces and put them in a closed paper bag in the garbage.

Personal records storage

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 acquire a home safe for storing them.

- ♦ Adoption papers
- ♦ Baptismal/confirmation records
- ♦ Birth certificates
- ♦ Citizenship papers
- ♦ Child custody/support papers
- ♦ Copyrights/patents
- ♦ Death certificates
- ♦ Divorce decree
- ♦ Household inventories
- ♦ Marriage certificates
- ♦ Military records
- ♦ Passports (until they expire)
- ♦ Power of attorney—financial
- ♦ Records of inheritances received
- ♦ Wills/living trusts

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

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

When the item is disposed of, the records either will be surrendered or will become part of your income tax file, or should be placed in dead storage.

Conclusion

Each household must work out its own record storage system, but the general guidelines in this bulletin can help you organize that system. As you think about your present system, ask yourself these questions:

- ♦ How easy or difficult would it be for other members of my household to figure out my record system? Do I even have a system?
- ♦ Who besides myself knows where to turn for necessary information about the family household 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 member of the family in his or her own permanent file.

	Have	Don't Have	Obtain/Reason For
Official immunization records			Obtain from health department or physician's office. Needed for school entry, emergency care, overseas travel.
Prescription records			Obtain annual printout from your pharmacy. Needed for your medical history and drug interaction management.
Known allergies			Obtain from your physician. Helps in managing your medical care and can avoid possibly life-threatening situations.
Hospitalizations			Obtain by cutting off top of hospital billing statement, writing on it dates hospitalized and reason for hospitalization.
Power of Attorney for Health Care and Directive to Physicians documents			Legal documents that allow you control over your medical care when incapacitated. Forms are readily available from hospitals, Extension offices, and office supply stores.
Names and addresses of doctors			Obtain by cutting off top of billing statement. Needed because of more specialization in medicine (no longer treated by just one doctor) and because of the mobility of families.
Dental/dentists/orthodontists			Obtain by cutting off top of billing statement. Needed to track your dental history.
Family medical history			Obtain copy of medical history form; complete and add information to this original as it occurs. Put copies in each family member's file.

Medical insurance file headings

	Have	Don't Have	Obtain/Reason For
Health policy and information booklet			Group policies have information booklets. Individual policy holder receives actual insurance policy.
Dental policy and information booklet			Group policies have information booklets. Individual policy holders receive actual insurance policy.
Disability policy			Group policies have information booklets. Individual policy holders receive actual insurance policy.

Family pets

Maintain a permanent, separate file folder for the records of each family pet. Files on pets should include records of shots, wormings, operations, allergies, registration papers, name and address of veterinarians used in pet care, licenses, and any other important items.

Property records

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

Homeowner file headings

	Have	Don't Have	Reason For
Home appraisal/covenants			Awareness of neighborhood regulations and guidelines for maintaining home and yard.
Home improvements			To help determine real cost of home and true capital gain or loss when sold. To prove and support tax returns.
Well and septic tank location			To avoid contamination of well or destruction of septic drain fields and to pass information on to new owners.
Homeowner's insurance policy			For claims against policy.
Mortgage papers			For tax purposes.
Prior home ownership papers			For computing tax gain/loss.

Home renter file headings

	Have	Don't Have	Reason For
Tenant insurance policy			For claims against policy.
Lease agreement/security deposits			To protect rights and secure refundable deposits.

Vehicle file headings

Have a separate file (by make and model) for each automobile and recreational vehicle. Include the following information in the file.

Retain for as long as you own the vehicle. Needed for operating, maintenance, warranties and claims.

- ♦ Service record
- ♦ Insurance policy
- ♦ Owner's manual and key codes
- ♦ Loans
- ♦ Leases
- ♦ Service contract
- ♦ Warranties—
car/tires/batteries

Investment file headings

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

In some cases, the actual investment instrument may 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/Keogh
- ♦ Life insurance policies
- ♦ Savings accounts

- ♦ Time deposits and certificates
- ♦ Real estate/limited partnerships

Household goods file headings

Include paid receipt, use and care booklet, and warranty. You may want to store use and care booklets where the item is used.

Maintain these records for as long as you own the goods. Needed for insurance claims, warranties, repairs, and correct operating procedures.

- ♦ Inventory listing of household goods for insurance
- ♦ Large kitchen appliances and equipment
- ♦ Small kitchen appliances

- ♦ Laundry equipment
- ♦ Personal care equipment
- ♦ Heating and air conditioning
- ♦ Lighting and lamps
- ♦ Cookware/dishes/silver
- ♦ Furniture
- ♦ Cleaning equipment
- ♦ Entertainment/communication
- ♦ Accessories/art

Other equipment file headings

- ♦ Recreational equipment
- ♦ Outdoor/gardening equipment
- ♦ Power tools
- ♦ Hand tools
- ♦ Firearms

Employment, retirement, and military records

Retain these records for job applications, retirement benefits, and work history. Each person in the family should have his or her own section under this category and include the files pertinent to the individual's situation, e.g., all children will have Social Security and academic records files.

- ♦ Resumes/dossiers
- ♦ Military/veterans
- ♦ Salary/promotion
- ♦ Pensions
- ♦ Social Security earnings
- ♦ Retirement/sick leave
- ♦ Transcripts/diplomas
- ♦ Academic achievement/school records

Financial records

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

	Have	Don't Have	Obtain/Reason For
Net worth statements			Prepare yearly and retain permanently as part of financial history and progress toward goals.
Consumer credit contracts			Retain as long as you maintain account with company.
Credit card numbers and notification requirements			Needed as reference information in case of loss or theft Keep current as new cards are added and other cards dropped.

Miscellaneous

	Have	Don't Have	Reason For
Safe deposit box inventory			Keep current and retain permanently. Allows for quick identification of records stored in the box.
Wallet inventory			Keep current. Needed in case wallet is lost or stolen.
Copy of will/living trust agreement			Retain permanently. Allows easy access for personal representative and heirs.
Valuable papers inventory			Keep current. Needed in case someone besides yourself needs to manage your financial affairs.
Burial agreements			Provides proof of preplanned funeral arrangements.
Letter of last instruction			Provides more detail of wishes in regard to disposition of personal effects. Retain only your most current instructions.
Genealogy records			Retain permanently for future generations.
Copy of wills that obligate or give inheritance to you			Retain permanently for proof of ownership and tax purposes.



Extension Service, Oregon State University, Corvallis, O.E. Smith, director. This publication was produced and distributed in furtherance of the Acts of Congress of May 8 and June 30, 1914. Extension work is a cooperative program of Oregon State University, the U.S. Department of Agriculture, and Oregon counties.

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