



Creating a financially organized life

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Here's how to get a jump-start on creating a system to organize your bills, statements, policies, and other financial paperwork.



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Financial organization is a cornerstone of a healthy financial life. At the most basic level, financial organization saves time and money because it aids in paying bills on time, finding needed documents during tax season, providing proof of payment, disputing credit cards or billing errors, and avoiding the stress of dealing with piles of unorganized bills and paperwork.

It also sets the stage for better decisions on investments, budgeting, debt, and investment strategies. Financial organization helps your working relationship with your financial professional (FP) because there will be less time spent looking for paperwork and more clarity around the overall financial situation, leading to more informed decisions about your investments and financial strategies.

While having a system to organize financial paperwork is important, it is not so important which system is followed but that a system exists. In most cases, a combination of electronic and paper filing systems will do the trick.

Bills, statements, policies, and other documents that are delivered online can be stored and backed up on a computer hard

drive or through online banking websites, third party bill pay, and website document storage platforms. Some websites offer budgeting and spending information and advice.

For couples, clearly establishing responsibilities for financial matters is an important priority. If one spouse manages the finances, the other spouse should be informed about what is going on financially, where important documents are stored, and the passwords for all online accounts.

What documents to keep and what to toss is another important part of becoming better organized. The IRS recommends retaining tax returns and any documents that support tax returns for seven years. Other documents such as paper bank statements, investment account statements, and credit card statements can be shredded after a year, especially if they can be accessed online in the future if necessary.

Financial paperwork generally falls into the following categories: investments, taxes, credit cards and loans, college savings, retirement savings, insurance, and estate planning. Let's take a look at what documents you need to keep on hand in these areas.

Income tax strategies

Tax strategies are forward-looking processes that identify opportunities designed to reduce future income taxes. Note that income tax strategies are not the same as income tax preparation, which focuses on documents required by the IRS. For income tax preparation, consult with your tax advisor.

A variety of documents are required to prepare taxes and assess your tax situation. Keeping proper tax records is extremely important for IRS, accounting, and investment purposes. Tax documents that should be safely stored and easily accessed include:

- ☐ Tax returns for the last 3 years
- ☐ Retirement plan information showing the amount you are eligible to contribute
- ☐ Paycheck stubs or statements showing regular income and unusual taxable distributions that may change your tax picture this year
- ☐ Statements showing major deductions, such as mortgage interest and property taxes
- ☐ Statements or other documentation showing the cost basis and current value of assets owned outside retirement accounts
- ☐ Information on charitable contributions

Investment strategies

These are common investor accounts which you may or may not have. Keep policies, statements, and other important paperwork for these accounts accessible to help you and your FP develop an investment strategy.

- | | | |
|--|--|---|
| <input type="checkbox"/> Checking accounts | <input type="checkbox"/> Annuities | <input type="checkbox"/> Stocks |
| <input type="checkbox"/> Savings accounts | <input type="checkbox"/> Life insurance cash value | <input type="checkbox"/> Bonds |
| <input type="checkbox"/> Money market accounts | <input type="checkbox"/> IRAs | <input type="checkbox"/> Real estate |
| <input type="checkbox"/> Certificates of deposit | <input type="checkbox"/> Retirement plans | <input type="checkbox"/> Precious metals, other collectibles |
| <input type="checkbox"/> Brokerage accounts | <input type="checkbox"/> Employee stock purchase plans | <input type="checkbox"/> Business interests & other investments |
| <input type="checkbox"/> Mutual funds | <input type="checkbox"/> Stock options | |

Credit and debt strategies

Debt is often a significant part of an overall financial picture. Statements for loans will help get a handle on your level of debt, interest rate of that debt, and loan terms on these kinds of revolving and installment credit debt.

- | | |
|---------------------------------------|---|
| <input type="checkbox"/> Credit cards | <input type="checkbox"/> Student loans |
| <input type="checkbox"/> Mortgages | <input type="checkbox"/> Business Loans |
| <input type="checkbox"/> Auto loans | <input type="checkbox"/> Personal loans |

College strategies

College saving strategies are vital for parents. There are many types of college savings vehicles, so be sure to keep track of all accounts with funds saved by parents, grandparents, aunts, uncles, and other relatives. To stay on top of balances and track savings, these statements are useful:

- ☐ Statements of accounts earmarked for college (529 plans, Coverdell accounts, UGMA/UTMA accounts, accounts in parents' names earmarked for college)
- ☐ Completed FAFSA (Free Application for Federal Student Aid) for students already enrolled or preparing to enroll in college
- ☐ Other documentation relating to student loans

Retirement strategies

Retirement is the largest financial goal for most investors. As such, it's very important to keep track of all retirement accounts, including 401(k)s from current and previous jobs, traditional and Roth IRAs, and other accounts such as 457 plans.

- ☐ Account statements and summary plan descriptions for all employer-sponsored retirement plans
- ☐ IRA account statements
- ☐ Social Security Personal Earnings and Benefits Estimate Statement
- ☐ Account statements for all assets. (See Investment Strategies)
- ☐ A budget showing expected living expenses in retirement
- ☐ Employee benefits information on health and retirement benefits
- ☐ Veteran's administration record

Insurance strategies

Risk management includes life, auto, disability, health, and other coverage you may need as well as current or future Social Security benefits. To manage and periodically re-evaluate coverage levels, deductibles, and premiums, retain these documents, including employer-sponsored insurance.

- | | |
|--|---|
| <input type="checkbox"/> Life insurance | <input type="checkbox"/> General liability (umbrella policy) |
| <input type="checkbox"/> Disability insurance | <input type="checkbox"/> Professional liability |
| <input type="checkbox"/> Health insurance | <input type="checkbox"/> Long-term care |
| <input type="checkbox"/> Homeowner's or renter's insurance | <input type="checkbox"/> Social Security Personal Earnings and Benefits Estimate Statement (PEBES) showing survivor and disability benefits |
| <input type="checkbox"/> Automobile insurance | |

Estate planning

There are two key aspects to estate planning: wealth transfer (ensuring that assets are transferred to the right people) and estate tax savings. Planning for and monitoring your estate requires maintaining these records, including:

- ☐ A copy of your latest will and letter of instructions
- ☐ Index of all assets (see list under Investment Strategies. Also includes real estate, business interests, etc.)
- ☐ Trust documents
- ☐ Advance directives
- ☐ Power of attorney for health care
- ☐ Power of attorney for financial matters
- ☐ Prenuptial agreements
- ☐ Beneficiary designations for IRAs, life insurance, annuities, employer-sponsored retirement plans
- ☐ Statements or deeds of trust showing how assets are titled
- ☐ Pet care

Miscellaneous Documents

There are also many other important documents that fall into a catch-all miscellaneous documents category. These include everything from a Social Security card to military service records to adoption and divorce paperwork. Keep the list current by adding new documents as appropriate.

- ☐ Birth, death, and marriage certificates
- ☐ Social Security card
- ☐ Passport
- ☐ Vaccination records
- ☐ Military service records
- ☐ Deeds and titles to all real estate, autos, and other hard assets
- ☐ Adoption papers
- ☐ Divorce papers
- ☐ Prenuptial agreement
- ☐ Religious ceremonies such as baptism, confirmation, ordination, marriage, annulment paperwork
- ☐ Jewelry appraisal list for all items valued at more than \$500

Make a "Financial Professional List"

From employers to bankers to insurance agents, most of us have a large and constantly changing list of trusted professionals. It's important to update this at least once a year as this information usually

changes often. In an emergency, family members need to know who to contact for important information about insurance policies, account balances, etc.

1. Household Employers (including immediate supervisor, HR manager, etc...):

Contact Name & Contact Info:

2. Banks, bankers & account numbers (includes primary accounts, money market accounts and safety deposit boxes):

Banker's Name and Account #:

3. Investment professionals (include all investment professionals, trustees, etc.):

Professional's Name and Account #:

4. Accounting professionals (includes CPAs, accountants, bookkeepers, enrolled agents, bill pay, and other accounting services):

Accountant/CPAs Name and Account #:

5. Credit professionals (includes mortgage brokers, credit counselors, bank loan officers and others):

Broker/Counselor Name and Account #:

6. Insurance professionals (includes life, car, home, disability and other insurance agents and professionals...):

Professional/Agent Name and Account #:

7. Estate Planning (include estate planner, trust services, and executor):

Estate Planning Professional and Account #:

8. Attorneys (including estate planning, divorce & prenuptial, business, rental, commercial & intellectual property, & taxes)

Attorney/Other Name and Account #:

9. Other family service providers (including financial aid counselor, retirement coach and life or career coach)

Counselor Name and Account #:

10. Health care providers (including primary care doctors, specialists such as cardiologists, gynecologists, oncologists, etc.)

Provider Name and Account #:

Key Passwords/PINs

Make a list of all the password and personal identification numbers (PINs) that are important to your financial affairs.

Keep it with your important financial documents and update it once a year.

Account	Website Address	Password
Computer #1		
Computer #2		
Tablet		
Smart Phone		
Checking Account #1		
Checking Account #2		
Business Account		
Mortgage		
Car Loan		
Home Equity Line		
Other Loan		
Savings Account		
Money Market Account		
Brokerage Account		
IRA Account		
401(k) Account		
Email #1		
Email #2		

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