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Conquering Paperwork

AS a Professional Organizer, I am asked often asked, “How long do I keep this paperwork?” Paperwork can be the most frustrating and time-consuming type of organizing. Not knowing how to put papers together, label them, or keep them is not only puzzling, but also scary. “Am I going to throw out something I’ll need for a tax audit?” “How long do I keep bank documents?” are common and legitimate questions. Of course nothing replaces the hand of a good Professional Organizer, but the tips and how-to’s below will certainly get you started!

Trade Secrets

- Invest in a large shredder that can cross-cut not only numerous sheets of paper, but also disks and credit cards. The more sheets it can shred at one time, the more time it will save you. Buy bags made to fit inside the shredder so you can discard easily. Be sure to oil or use oiling sheets regularly to keep your blades nice and sharp.
- Touch each paper once, deciding either to discard or file it, unless you must first sort them into piles.
- Invest in a filing system. This can be as simple or as complex as you want.
 - The simplest one is a filing cabinet (look on www.Craigslist.org!) with hanging files, manila folders, tabs, and labels. You can file alphabetically, chronologically, or categorically.
 - FreedomFile – www.FreedomFile.com A ‘all in one’ filing system. It gives you directions how to build a filing system and includes the folders.
 - Paper Tiger – www.ThePaperTiger.com - Another set of directions of how to file your documents and papers.
 - Homefile – www.HomeFileOrganizer.com - Yet another set of directions of how to file your documents and papers.
- Safe Deposit Boxes – Keep duplicate copies of documents in an off-site location, safe from fire, flood, or other catastrophes. Keep a list of the items in your box with the key.

How should I discard my paperwork?

When discarding documents, receipts, or policies, shred them to avoid identity theft. Alternatively, you can take them to a reputable company that will burn them in a confidential manner. What you should not discard are documents that support any tax deductions. Save these for seven years because you can be the subject of an audit for that length of time.

How long should I keep each document, receipt, or policy?

Receipts

You can purge these immediately if you don't need them to document a tax deduction, return a purchase, or reconcile your checking account.

- For receipts you must save, write a description of the item on the top
- Write the name of the recipient on top of holiday gift receipts. Staple receipts for each recipient together. Then go directly to the right receipt if the recipient exchanges or returns an item. Then shred receipts once gifts have been accepted.

Bank Records

- Deposit/ATM receipts – Keep until you reconcile with your statement.
- Bank Statements – Bank statements are available online or by calling your bank customer service, so you do not need to have a paper copy. If you prefer a paper copy, keep it until you have reconciled your account.
- Credit Card Statements – Keep them if you need them to document a tax deduction, otherwise until you've paid them.

Bills – General

You only need to keep general bills until you pay them, unless you need them for tax purposes. If you want to track your usage, I recommend keeping them for three months to a year or, alternatively create a spreadsheet in Excel, enter them and then discard. Your bills are also available from the billing company's customer service department.

Household Furnishings/Major Appliances/Electronics

- Instruction/Direction Books – Keep until you discard the item or transfer the book with the item when you sell or donate it.
- Warranties – Discard when the warranty is out of date
- Cancelled receipts – Discard when the receipt is out of date

Pay Stubs

Keep pay stubs until you reconciled with your the end of the year W-2 form. Then shred or burn.

Savings Bonds

Keep savings bonds in a safe deposit box until you cash or convert them to electronic form. You can convert them to this electronic form at www.treasurydirect.com

Auto/Vehicle Records

Keep titles, registration, and insurance information in your car and in a safe deposit box. That way, if your home or car are flooded or burned, you can produce these documents for the insurance adjuster. You can keep maintenance and repair receipts in your filing cabinet at home.

Loan Documents

Keep the following in a safe deposit box:

- Closing documents/Mortgages – Keep the documentation until you move
- Vehicles – Keep the documentation until you sell or donate the vehicle
- Student and other loans – Keep documentation until fully paid.

Don't ever discard: (Keep in a safe deposit box)

- Birth Certificates
- Death Certificates
- Marriage Licenses
- Divorce Decrees
- Life Insurance Policies
- Pension-Plan Documents
- Military Discharge Papers (DD214)
- Travel Visas/Passports
- Adoption Paper

