

# Financial Records: What to Keep

When you are ready to set up a recordkeeping system for household and financial papers, keep the following tips in mind:

- Some important documents should be kept in a fireproof safe in your home or in a safe deposit box.
- Keeping your files organized makes it easier for you to find information about earnings and spending and to update important financial information.
- Having an easy filing system in an accessible location makes it more likely that you'll keep up with it.



## Quick Guide: HOW LONG TO KEEP PAPERS:

- **Tax Records:** Keep tax returns for at least 7 years. (Some people prefer to keep them forever.) Keep supporting tax documents, such as tax related receipts for at least 4 years
- **Checking Account Statements:** 1 month or until checks clear. Keep statements that support tax deductions with your tax records for the year.
- **Utility & Household Bills:** 1 month (unless you deduct for home office expenses: file with tax records)
- **Paycheck stubs or Direct Deposit Statements:** 1 year
- **Credit Card Statements:** 1 to 2 months or until charges are reconciled. (Keep statements that support tax deductions with your tax records.)
- **Mortgage & Housing Information:** For as long as you own the property, plus 4 years for tax purposes.
- **Records For Home Improvements, Sale or Purchase of Property:** 4 years after the sale of the home or property. Keep
- **Medical Records:** 4 or more years.
- **Insurance Policies and Bills:** Keep current policies and bills; discard cancelled policies.
- **Investment Records:** keep initial purchase and year-end reports indefinitely.
- **Receipts for Purchases:** Many can be thrown away but keep for a month or so if you are tracking expenses or longer if you may need to return an item or any items requiring proof-of-purchase for insurance or warranties.

## ***What to Keep in a Safe Deposit Box***

*These items are important to keep long term and are difficult to replace.*

<ul style="list-style-type: none"><li>• household inventory (list &amp; photos/video)</li><li>• military discharge papers</li><li>• birth certificates</li><li>• real estate deeds</li></ul>	<ul style="list-style-type: none"><li>• mortgages</li><li>• citizenship papers</li><li>• stock and bonds</li><li>• important contracts</li><li>• titles to automobiles</li></ul>	<ul style="list-style-type: none"><li>• death certificates</li><li>• marriage certificates</li><li>• wills and trusts</li><li>• divorce records</li><li>• adoption papers</li></ul>
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## **Home storage can be divided into two categories: active and inactive.**

Ideally both kinds of files should be stored in fireproof boxes. The active files include papers that you may need soon; the inactive file is more for long term records or items you may only need once in a while.

### **Items to keep in an active home file include:**

- appliance manuals and warranties
- canceled checks
- credit card information and loan payment records
- health benefit information and family health records (e.g., immunizations)
- insurance policies
- receipts for recently paid bills
- receipts for items under warranty
- current records for education (like school transcripts) and employment (like a resume)
- bank and investment account statements (keep for as long as you own an asset, plus at least 3 years)
- Social Security information (like annual benefit estimates)
- Burial/funeral instructions
- inventory of the contents of safe deposit box and keys to safe deposit box
- tax returns for the current year or recent years

### **Items to keep in an inactive home file include:**

- tax returns that are 4 or more years old
- copies of legal documents (such as birth and death certificates) stored in any safe deposit box
- correspondence related to important legal matters (such as an adoption or a lawsuit)
- insurance accident reports and claim forms
- property improvement records (receipts or paid vouchers)

*Sources: Money 2000 and Beyond: Organizing Your Financial Records. Lepeska, Mary Fran. Cooperative Extension Publications, 1999.*