

Keeping Organized

WHPE

Chapter Overview

This chapter covers:

- Benefits of being organized.
- Understanding property insurance.
- Annual tax preparation.
- Household record keeping system.
- Records storage advice.

The Benefits of Being Organized

Saving and organizing your records helps you:

- Prove that you paid for a service or item.
- Save time and ease stress.
- Pay bills on time.
- Document claims for benefits.
- Dispute errors on credit card or banking statements.
- Show legal proof of marriage, birth, divorce, death, custody or citizenship.
- Determine your financial status and stay updated.
- Provide a basis for sound estate planning.
- Make it easier for your survivors to find everything.

Understanding Property Insurance

Standard Homeowner's Insurance covers:

- Rebuilding & Repair Costs of the Home
- Replacement Cost of Stolen or Damaged Items
- Liability Insurance

(If someone is injured on your property, or if other property is damaged due to your negligence.)

Understanding Property Insurance

continued

- Hazard Insurance
 - Protection for physical damage to home and belongings.
 - Can be for “replacement” (preferred) or “actual cash value.”
- Liability
 - Protection for injury to people on your property.
- Deductible
 - Amount you the homeowner must pay toward damages before insurance pays.

Obtaining Homeowner's Insurance

1. Determine the VALUE OF THE CONTENTS of your home.
2. Determine HOW MUCH insurance you need.
3. Determine if there are any COMMON DISASTERS in your area that require additional insurance.
4. Ask about DISCOUNTS.
5. Keep an eye on your CREDIT HISTORY to lower rates.
6. Select the highest deductible that you can afford.
7. SHOP AROUND.

9 Ways to Save on Insurance

1. Increase your deductible.
2. Combine your insurance coverage into a blanket policy.
3. Ask about other homeowners insurance discounts
4. Don't buy coverage you don't need.
5. Make your home a better insurance risk, ask your agent how.
6. Keep your insurance up to date.
7. Check for risks that may increase the cost of your policy.
8. Keep up your credit score.
9. Shop around.

Annual Tax Preparation

Keep a “tax file” of important documents.

Include:

- Income documents (ex. W-2, 1099s)
- Tax documents (ex. educational, child care, daycare or adultcare expenses)
- Tax deduction documents (ex. healthcare expenses, mortgage interest paid, vehicle registration, job related expenses)

Household Record Keeping System

1. Make it easy to use, maintain and update.
2. Make it easy for other household members to understand and use, if necessary.
3. Choose appropriate places to keep your records. Work space nearby is ideal.
4. Decide who will be responsible for recordkeeping.
5. Establish a regular routine and time to do the paperwork needed. Use this time to review past spending and make any needed changes.

Home Filing System

- Make a list of the different files you will need.
- Alphabetize or color code each major section of your files
- Within each folder, keep the records in chronological order, with the more recent information in front.

Storing Personal & Financial Records

- Current active records – keep near a work area at home.
- Records you carry with you – in your wallet or vehicle
- Permanent active records – at home
- Permanent records that you cannot replace – in a safe deposit box
- Inactive records for long-term storage – at home

Current Active Records

(Home and Away)

Keep these files handy and near a work area:

- Current bills
- Papers to file
- Spending plan and expense records
- Banking records
- Loan payments
- Tax records
- Business expenses
- Personal records

Keep these files in your wallet or vehicle:

In your **wallet**:

- Driver's license or state ID
- Credit or debit cards
- Health insurance cards
- Medical information for emergency treatment
- Membership cards.

In your **vehicle**:

- Insurance card
- Vehicle identification
- Vehicle registration

Permanent Active Record Storage

(at home)

– **Personal records:**

- Employment and education
- Health records
- Insurance
- Personal/professional advisers
- Travel documents
- Subscriptions/memberships

– **Property records**

- Housing
- Vehicles
- Household furnishings inventory
- Insurance
- Keys

Permanent Active Record Storage

(at home)

– **Financial records**

- Checking and savings accounts
- Credit cards
- Loan accounts
- Net worth statements/spending plans
- Tax records
- Safe deposit box inventory

– **Investment and retirement records**

- Certificates of deposit
- Stocks and bonds
- Mutual funds

- Pension plans
- Individual retirement accounts (IRAs)
- Tax deferred retirement accounts
- Annuities
- Social security

– **Estate planning documents**

- Wills
- Powers of attorney for finances
- Trust agreements
- Life insurance policies

Permanent Records for Safe Deposit Box

Keep records and other items that you cannot replace in a safe deposit box at a financial institution or in a home fireproof safe, such as:

- Birth, adoption, baptismal, marriage and death certificates
- Citizenship papers
- Military service records
- Custody agreement, divorce decree
- Original property documents
- Copies of wills and trust agreements
- Rare coins, stamps, gems and other collectibles
- Certificates of deposit
- Stock and bond certificates
- Contracts
- List of insurance companies and policy numbers
- Copies of Social Security cards

Inactive Records for Long-term Storage

(at home)

Select a time at least once a year to review each permanent active file:

- Transfer to inactive storage other items that pertain to an important event in your life or those you may need to refer to in the future.
- Store these files in a closet, an attic, basement or garage.
- Discard any record that has expired or been replaced.
- Plan to keep most of these records for as long as you live or as long as you own a particular property or investment