

Record Keeping tips for Home

What documents should be kept and which should be destroyed?

For anyone with a file cabinet drawer bulging with utility bills from 1988, here are some basic guidelines for personal record keeping.

Keep Indefinitely:	<ul style="list-style-type: none"> • Income tax returns, payments and checks • Home purchase records • Investment trade confirmations • Important correspondence • Legal records • Any active insurance policies • 401k/Pension/IRA records • CPA audit reports
Keep at least 6 years	<ul style="list-style-type: none"> • Bank reconciliation and cancelled checks • Accident reports and claims • Medical bills • Property records / Home improvement receipts (if tax related) • Sales receipts (if tax related) • Utility bills (if tax related) • Other bills (if tax related)
Keep at least 3 years	<ul style="list-style-type: none"> • Credit card statements • Medical bills (in case of insurance disputes) • Utility records (for internal use) • Expired insurance policies • Anything that needed to back up an income tax return (i.e. W-2s, 1099s, receipts, or investment statements).
Throw away at year-end	<ul style="list-style-type: none"> • Monthly bank statements • Monthly or quarterly investment statements • Pay stubs (keep until reconciled against W2)
Throw away after a month	<ul style="list-style-type: none"> • ATM or credit card receipts (until verified against statement) • Cancelled checks • Utility bills • Credit card receipts

NOTE: consult a CPA before discarding ANY financial paperwork; consult an attorney before discarding ANY legal paperwork. A big caveat to all of this information is to keep anything that might be needed for insurance or warranty purposes, in addition to the tax-related items already mentioned. Also, save anything that you may need to prove your cost-basis for an investment when it is eventually sold. Of course, **be sure to shred everything** you decide to discard.

ExtendedOffice provides marketing and administrative support to small business owners. We can help with constructing a functional filing system, assessing and discarding old files and arranging for secure document disposal which will take your business to the next level and increase your productivity. Visit us online at www.extendedoffice.com; a **FREE** consultation is only a phone call away!