

The following is excerpted from

Unstuff Your Life!: Kick The Clutter Habit and Completely Organize Your Life For Good

© 2010 Andrew J. Mellen

www.andrewmellen.com

How Long Should I Keep This?

When does stuff become clutter? When it ceases to serve you. And paper that no longer serves you presents unique storage challenges and potential hazards. From the need to securely store sensitive documents to possible losses (late and missed payments, identity theft), the consequences of improper filing and record keeping may be devastating.

Items you'll keep indefinitely should be stored in a safe deposit box at your financial institution or in a fireproof container at home. Additionally, these storage spaces should contain a list and photocopies of all current ATM debit cards, credit cards, contracts and agreements, your valid driver's license and passport.

Laws and circumstances will change and it's always better to be safe than sorry when you have access to a shredder, so please confirm the following information with appropriate legal or financial advisors before disposing of anything.

Finally, this is what we know today: the current tax code allows the IRS three years from the filing date to examine your return for errors. They have up to six years to audit your return if they suspect underreported gross income of 25% or more. There is no statute of limitations on an audit when deliberate fraud is suspected.

Should I Stay or Should I Go Chart

If you are self-employed or have been advised to retain records to support your tax return filings, retain all records for seven (7) years.

Toss after One Month

ATM and bank deposit/withdrawal slips (Retain until monthly statement received and reconciled)

Receipts, Cash

- Enter into your checkbook or computer software if you track expenses
- Major purchase with warranty (Staple to owner's manual and retain for duration of warranty)
- Major purchase without warranty (Retain if replacement cost exceeds deductible on insurance policy)
- Minor purchase without warranty (Shred)
-

Receipts, Credit/Debit

- Retain until monthly statement received and reconciled
- Major purchase with warranty (Staple to owner's manual and retain for duration of warranty)
- Major purchase without warranty (Retain if replacement cost exceeds deductible on insurance policy)
- Minor purchase without warranty (Shred)

Toss after One Year

Bank/Financial Institution statements (Monthly statements)

Brokerage/Mutual Fund statements (Monthly/Quarterly statements after reconciled with annual statement)

Credit card statements (Monthly statements)

Credit reports (You are entitled to free reports from all credit bureaus each year. Review for errors and update as needed)

Mortgage statements (Monthly statements after compared with annual statement/Form 1098)

Telephone/Utility bills (Monthly statements)

Keep for Three Years

Insurance policies (Expired)

Correspondence (General – not sentimental)

Pay stubs (Reconcile annually with your W-2 or 1099)

Unemployment income stubs (Reconcile annually with your W-2 or 1099)

Keep for Seven Years

Contracts and leases (Expired)

Mortgage Statements (Annual)

Option records (expired)

Tax Return backup paperwork (cancelled checks/receipts/statements), including but not limited to:

- Alimony/child support paid or received
- Charitable donations (monetary and in-kind)
- Child-care receipts
- Credit Card year-end statements
- Disability records
- Medical expenses
- Mortgage interest 1098 forms
- Retirement account contributions
- Utility and Teledata company year-end statements
- W-2 or 1099 forms

Keep for the Duration of Ownership or Expiration Date

Auto insurance card and registration
Bank account registers and debit cards
Canceled checks (Real estate purchases, major purchases, capital improvements)
Contracts and leases still in effect (Expiration date + seven years)
Credit Card account information, rates
Savings certificates
Motor vehicle titles, purchase receipts and licenses, records of auto service/repair
Insurance policies: Auto/Home/Life/Medical/Renters (current)
Leases (current)
Passport
Pension and retirement plans
Real property deeds, titles, purchase contracts, bills of sale, abstracts, appraisals, construction documents
Receipts for major home improvements and renovations (capital improvements)
Sales receipts for major purchases (Until warranty expires or return/exchange period expires)
Stocks, bonds and other securities

Keep Indefinitely

Accident reports/claims (Including related medical records)
Adoption and Custody records
Advance directives (Living will/durable power of attorney for health care or health care proxy)
Audit reports prepared by accountants
Birth Certificates
Burial lot deed
Canceled checks (Tax payments)
Citizenship papers
Correspondence (legal or important)
Death Certificate
Divorce Agreement and Decree
Education records (Diplomas, transcripts, tuition records, school correspondence—for self and children)
Employment records
Insurance records of claims made and paid
Inventory of household goods and appraisals, updated as needed (include rental property)
Inventory of valuable papers, their location, and contact information for all advisors
Investment records clearly showing beneficiary information (purchase/sale/transfer records)
IRS audits
Jewelry and other valuable items
Licenses
Loan documents and notes (Loans you've made)
Marriage Certificate/License
Medical records, updated as needed (Including immunization records for children)
Military records
Mortgages (Letters of satisfaction), other lien documents (Home and any rental property)
Powers of Attorney
Religious records
Settlement agreements, claims and litigation documents
Social security card
Tax assessment notices
Tax returns
Will