



# It is Time For a Financial Spring Cleaning



## Financial Spring Cleaning

- Gather all paper and electronic documents related to your financial life:
  - What to keep\*
  - What to recycle
  - What to shred
- Develop a system for keeping track going forward:
  - Must make sense for you
  - Consistency for paper and electronic files

\* Everyone's financial situation is unique. Consult with your accountant before starting.



## Financial Spring Cleaning: What to Keep

- Category #1: Keep for one year
  - Monthly investment and credit card statements
  - Current insurance policies (until renewal)
  - Copies of utility bills



## Financial Spring Cleaning: What to Keep

- Category #2: Keep for seven years after you file your taxes
  - Tax returns and supporting documents
  - Bank statements
  - Credit card annual summaries



## Financial Spring Cleaning: What to Keep

- Category #3: Keep as long as you own the item\*
  - Purchase record for every new investment
  - Year-end statements for each investment account as long as you own investments in that account
  - Receipts for major purchases or insured items
  - Records related to a home purchase and sale (cost basis)

\* If a tax-related item, keep for seven additional years with tax documentation.



## Financial Spring Cleaning: What to Keep

- Category #4: Keep indefinitely
  - All vital documents (birth certificates, marriage certificates, adoption records, social security cards, etc.)
  - Essential legal documents (wills, powers of attorney, health card directives, etc.)
  - Mortgage agreements, car loan documents, and documentation for any other loans (and payoff notices)
  - Retirement account activity (IRA, 401(k), pension)