



**SEATTLE@HOME**

Saturday, April 15, 2006

## **Get Organized: Paper: Attack the stack, emerge the victor**

By LAURA LEIST  
ELIMINATECHAOS.COM

### **DEALING WITH THE MAIL**

According to the U.S. Postal Service, 206 billion pieces of mail are delivered each year.

As you may have guessed, more than 3 billion of those annual mailings are credit-card solicitations.

There are two steps you can take to help you deal with the amount of mail that arrives every day:

- Remove your name

from mailing lists.

- Open and process your mail on a daily basis.

When processing daily mail, try using my company's "Papers" method:

**P** -- Process it.

**A** -- Act on it.

**P** -- Pass it on to the appropriate person.

**E** -- Eliminate it.

**R** -- Read it.

**S** -- Shred it.

If the paper does not fit into one of those areas, then most likely you will need to "file" it for future reference. But be careful about overdoing this. You'll find that at least 80 percent of paper that is filed is never referenced again!

## **SETTING UP**

### **A FILING SYSTEM**

Consider using these four filing systems in your home:

**Daily action system** -- Bills to pay, current projects, receipts for potential returns, pending or follow-up items, coupons, gift certificates, tickets or invitations to events, school information, etc.

This likely will be the system you'll use most often, so it should be easily accessible. A filing box with hanging files that can sit on a desk or the floor works great.

**Reference system** -- This system may contain the majority of your files -- paperwork you need to keep, but do not necessarily need to look at every day.

In this system you will want to store items such as bank, credit card and financial statements, insurance policies, car information, medical and veterinary records, home information, etc.

At least once or twice a year, use the "Guidelines for what to keep" on the facing page to go through this system and eliminate what you no longer need. Tax time is a great time to do this because you will need to go through the files anyway to gather some of the information needed to prepare your taxes.

**Archive system** -- This may be a stand-alone system for your taxes, or it could be used to store your tax information and other information that you access only once or twice a year.

If you don't have the space in your reference system to keep these items, box them up, label them and put them somewhere not as easily accessible, so they don't take up valuable space.

**Safety deposit box or fireproof safe system** -- It's always better to be safe than sorry. The following is a partial list of documents you may wish to consider storing in one of the following locations:

- Fireproof box at home: Passport; power of attorney originals; will, living will or any medical directives; funeral or burial instructions.
- Safety-deposit box or fireproof safe: Adoption papers; automobile titles; bank account numbers and account information; baptismal and birth certificates (originals); child-custody agreements; citizenship papers; divorce decrees (originals); family historical

information; household inventory; immunization records; jewelry appraisals; marriage certificates (original); negatives or other storage devices for important photos; real estate deeds; stocks and bonds certificates; veterans papers.

## **GUIDELINES FOR WHAT TO KEEP**

In honor of "tax day" today, the following is a list of retention guidelines that may be useful for future years' taxes. Be sure to shred all documents you are not keeping.

**Bank statements** -- Keep only those statements that back up information on your tax returns, for example the 1099 interest statement.

**Canceled checks** -- Eliminate all except those needed for tax purposes.

**Credit-card statements** -- Keep for about six months to a year. Statements that have major purchases on them might be retained longer.

**Insurance policies** -- Keep only current policies. If the most current policy did not include the "declarations" page, be sure to keep that from earlier.

**Investment statements** -- Keep end-of-the-year statements, eliminating monthly and quarterly statements after you've received the final accounting.

**Paycheck stubs** -- Toss after you've received your annual W-2 statement.

**Retirement plan contributions** -- Keep these records indefinitely as you may need to prove contributions to accounts such as a Roth IRA.

**Tax returns** -- Keep tax returns and supporting documents for seven years.

Note: These guidelines are for the purposes of personal tax records, not necessarily tax records for a home-based or other business.

## **ORGANIZING TAX RECORDS**

This does not need to be difficult. The key is to have an established location where you store tax records, so that when it comes time to retrieve them, you know exactly where to look. If you are short on space in your current filing system, you may want to consider storing them in a portable filing box.

There are several products designed to help you keep this information organized from year to year. One of my favorites is the Captio Tax Case, which can be ordered online at [www.captio.com](http://www.captio.com) or [www.eliminatechaos.com](http://www.eliminatechaos.com) or purchased at Storables.

Laura Leist is the founder and owner of [eliminatechaos.com](http://eliminatechaos.com). You can reach her through her Web site.