

FILE IT, FIND IT

HOME FILING SYSTEM

The task of organizing and maintaining records begins the day you are born and continues to be an important part of your life as you move through the years. Initially, someone else keeps up with your important papers and records, but the day comes when you must assume that responsibility. By beginning early and maintaining neat, accurate records, you can save yourself and your family many lost hours searching for a needed bill or receipt as well as the frustration experienced during a frantic search.

WHY ORGANIZE RECORDS?

Households are mini-businesses. They perform the same tasks of planning, buying, saving, and investing as businesses, only on a smaller scale. It is critical that family records be maintained to insure easy access to necessary information when needed. An organized home filing system is essential to good record keeping. Such a system provides the following benefits:

- Other family members can find documents
- Records are available for income tax preparation
- Saves time and money when processing insurance claims
- Provides easy access to records needed on short notice in case of an accident, illness, or other emergency
- Records are available if needed in legal matters such as divorce, law suits, estate settlements, or tax audits
- Aids in the preparation of wills, net worth statements, investment plans, and retirement plans
- Prevents loss of bank account balances upon death

HOME BUSINESS CENTER

The first step in getting organized is to set up a home business center. It helps save time and energy as well as money by keeping all your records and necessary equipment and supplies in one place. A home business center needs to be set up by the person who has agreed to manage the family's affairs. Other

family members should be familiar with the center and be able to locate information.

An elaborate office is not necessary. Many reasonably priced items on the market such as portable metal file boxes, ledger books, and inexpensive filing cabinets simplify record keeping. Even sturdy paper cartons can be used to hold file folders. Old records can be boxed and stored in the attic or garage. Current records need to be kept where they will be safe and convenient to use in your home.

Your home business center may be located in a separate room in the home or it may be a part of the kitchen, living room, den, dining room, or bedroom. It might also be found under the stairs, in a closet, or in an under-the-bed storage container which can be brought to the kitchen or dining room table. Wherever your home business center is located, the area needs adequate lighting. Other essential components include a waste basket; a desk, table, or counter top; a container for incoming materials as well as necessary supplies; file folders; and storage for your files. A typewriter, adding machine, calculator, and computer are handy items to have. Shelves for books and reference materials are nice to have too. However, getting organized does not require the purchase of expensive equipment and furnishings, but rather the efficient use of what you may already have or can use to improvise.

TWO TYPES OF FILES

After establishing work space and storage space of some type, you are ready to develop a system for handling day-to-day papers and records as well as items of a permanent nature. There are two types of home filing systems that need to be kept in addition to records kept in

a bank safe deposit box. These two files are (1) the active file and (2) the permanent file. The active file is for current transactions and records. It will contain unpaid bills until paid, paid bill receipts, current bank statements, current canceled checks, and income tax working papers.



Other items which need to be kept in the active file include: employment records; credit card information with the number of each card by company name; insurance policies; copies of wills; family health records; appliance manuals and warranties; education information, such as transcripts and diplomas; Social Security and other pension plan information on benefits and regulations; household inventory; inventory of important family papers; and an inventory of the contents of your bank safe deposit box.

Be certain your record of important family papers contains a listing of your savings and checking accounts as well as the name and branch of the bank where your safe deposit box is located. This record also needs to include the Social Security numbers of all family members, information on insurance policies, information on investments, retirement and burial plans, a listing of family doctors, consultants and legal advisors, and a record of home improvements.

The permanent file is a file containing records that are seldom used but need to be kept. This file might include income tax records and receipts, past banking transactions, past spending records and receipts, reference materials, and copies of valuable papers. This file provides permanent storage space for proof of ownership papers and pieces of identification essential to home finances. Such records could be necessary in the collection of pension benefits, military compensation, or other funds. In addition, these records may be necessary to aid in solving tax or inheritance problems.

CREATE A HOME FILING SYSTEM

One of the most difficult parts of organizing your home business center is knowing what to do with all the paper and information you and your family acquire. The key to gaining control of the mass of paper that bombards you is to file it so you can find it at a later time. As you begin this process, you need to have handy file folders, a pen or pencil, and blank paper.

First, you want to make a list of headings or categories you will use in your filing system. Included in Figure 1 are a number of main categories and subcategories you may choose to use as you set up your filing system. The listing is intended to be used as a guide, so adapt the categories to your needs. You may wish to consolidate some of the suggested items, use different headings or groupings, and include other items. For example, you may want a divider for insurance or you may want to file insurance papers under separate headings of "auto", "home", or "health".

Second, alphabetize the list you have made. This list is known as a file index. Keep this list for future reference to help you locate items in the file. A good place to keep this list is at the front of the file drawer or box containing your files.

And finally, label your file folders with the categories selected, place available materials in the appropriate folder, and file in the file drawer or box you have prepared to hold your records.

You may wish to set up two files, one for your active file and one for your permanent file. As you review your materials, file accordingly. If you are just beginning your filing system, it might be best to wait until the end of the year to go through the active file and decide what needs to be kept and then set up the permanent file.

As you organize the materials you have acquired through the years, you will probably uncover items that have not been assigned to either the active or permanent files. In such cases you will create file folders for these items you need to keep in your home file. However, other items, especially those hard to replace documents or those which would be costly or time-consuming to replace, need to be placed in a bank safe deposit box or a home safe or a fireproof file which is able to withstand heat of 1700 degrees Fahrenheit for one hour. Such papers include mortgages, deeds, stock certificates, birth certificates, marriage certificates, divorce papers, death certificates, and wills.

File It, Find It leaflets, a component of the Life Cycle Planning Program, are offered to help individuals and families get control of their resources as they plan for financial security throughout their lifetimes.

The following leaflets are available:
HM 664 Household Inventory
HM 665 Valuable Papers Inventory
HM 666 Important Records
HM 667 Home Filing System

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FIGURE 1: SUGGESTED LIST OF CATEGORIES FOR HOME FILING SYSTEM

Addresses or Dates

Business
Personal
Christmas card list
Birthdays and other special events
Magazine subscriptions

Autos and Vehicles

Insurance
Titles
Maintenance - repair
Recreational vehicles
Boats
Motorcycles

Bank Records

Checking accounts
Savings accounts
Safe deposit box
(list of contents)
Trust accounts

Child Care

Clothing

Care labels

Correspondence

Business
Personal

Donations/Contributions

Church
Charities

Employment Records

Resume
Employment contracts
Retirement or pension plans
Social Security records
Fringe benefits
Wage statement/paycheck stubs

Equipment, Appliances, & Furnishings

List of items and date of purchase
Warranties

Use-and-care manuals
Kitchen
Range, refrigerator, microwave oven, and other appliances
Air conditioner
Heating system
Laundry
Small appliances
Personal care appliances
Outdoor
Lawn mower and other outdoor equipment
Recreation equipment
Hobby
Camera
Woodworking tools
Other

Financial Records

Budget
Goals, long-term plans
Net worth statement
Records of earnings
Records of expenditures
Property tax records
Receipts and paid bills
Unpaid bills
Credit card accounts

Health and Medical Records

Immunizations/blood types
Dental
Eye corrections
Prescriptions
Insurance
Health
Disability

Housing

Mortgage payments
Lease and rent payments
Repairs
Capital/home improvements
Household inventory
(second copy in safe deposit box)
Utilities
Telephone
Floor plan
Wiring diagrams
Homeowner's or renter's insurance

Income Tax

- Previous returns
- Canceled checks (tax related)
- Current year information
(such as medical receipts and contributions)

Life Insurance

Loans/Credit

- Loan contracts
- Credit agreements
- Listing of credit card numbers

Miscellaneous

- Gifts
- Other

Organizations - Clubs

- Civic
- Business/Professional
- School
- Church

Personal Records

- Educational records and expenses
- Marriage license
- Pet papers
- Military records
- Wills, copy of

Reference Material

- Cleaning
- Crafts or hobbies
- Gardening
- Home furnishings
- Laundry
 - Hand tags
 - Stain removal
- Travel
 - Maps
 - Vacations
- Magazine articles
- Food buying guide
- Others of interest to you

Savings/Investments

- Savings accounts
- Annuities
- Bonds
- Stocks
- Real estate investments
- Pension plans
- Other investments

Things To Remember

Use the list following as you decide what to keep and where to keep it

Safe Deposit Box

- Birth certificates
- Citizenship papers
- Marriage certificates
- Adoption papers
- Divorce decrees
- Wills
- Death certificates
- Deeds
- Titles to vehicles
- Household inventory
- Veteran's papers
- Bond and stock certificates
- Important contracts

Active File

- Tax receipts
- Unpaid bills
- Paid bill receipts
- Current bank statements
- Current canceled checks
- Income tax working papers
- Employment records
- Health benefit information
- Credit card information
- Copies of wills
- Loan statements
- Insurance policies
- Family health records
- Appliance manuals
- Receipts of items under warranty
- Education information
- Inventory of safe deposit box (and key)
- Receipts of expensive items not yet paid for

Permanent File

All active file papers over three years old

Items to Discard

- Canceled checks for cash or nondeductible expenses after one year
- Expired warranties
- Coupons after expiration date
- Other records no longer needed

An organized home file is essential as you and your family grow, develop, and change during the lifetime.