

# Important Family Records – What to Keep and Where

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Certain records provide proof of age, marriage, ownership, military service or other family events. You may need some only two or three times, but if needed, it may be necessary to find them in a matter of hours or days. Unfortunately, it may take months to replace them.

First, every family must determine what records are valuable and where they are kept. The second step is to work out a system for keeping those records.

For starters, ask yourself:

- How easy or difficult is it for other family members to figure out your record system?
- Who besides you knows how to find the needed information about family household assets and obligations?
- Do you have a list of family advisors, such as bankers, insurance representatives, employers, creditors and debtors?

In addition to helping you find information quickly and providing security for hard to replace documents, a good record system will help prove ownership in a lawsuit, inheritance or property fight and can be used for a property settlement in a divorce.

## Home Record Centers

A system for keeping personal and home records is a necessity. The system may be as elaborate as a home office

or as simple as a drawer. Keep working files accessible. Store permanent files in most any secure space.

Elaborate equipment is not needed. Consider a filing cabinet before you think about purchasing a desk. If you don't have space for a small cabinet, buy accordion folders, a storage chest that fits under the bed or get a cardboard box of an appropriate size.

It doesn't matter who organizes your home office, but use the talents of the one with the best business sense. Make sure that more than one person knows and understands your family record keeping system.

## Where to Keep Important Papers

Most home record systems consist of personal records you carry in your wallet, household records including bills, valuable papers that are kept in a safe deposit box and permanent files. You need these records for proof of ownership, resale purposes or income tax activity.

### In Your Wallet

Credit cards  
Driver's license  
Identification cards  
Medical information  
Membership cards  
Person(s) to notify in case of an emergency



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Leave your social security card at home to prevent identify theft. If you have not done so, replace the social security number on your driver's license.

### In the Home Records Center



Appliance records – manuals, warranty cards, serial and model numbers  
Bank statements/cancelled checks  
Credit card information – including card number and toll-free number to call if lost or stolen  
Educational records – including transcripts, diplomas and certificates  
Employment records – such as resumes, recommendation letters, names and addresses of former employers and those willing to write recommendations, employee benefits, including health insurance  
Family account book  
Family and financial records  
Farm or business record books  
Guarantees and warranties  
Health records  
Household inventory (copy)  
Income tax working records – current year  
Insurance policies  
Loan records  
Passports (optional)  
Receipts and receipted bills  
Retirement plans  
Safe deposit box inventory  
Social security card  
Wills/letters of last instructions (copies)

Your home file should hold (1) unpaid bills until paid, (2) paid bill receipts, (3) current bank statements, (4) current cancelled checks, if your account returns these, or duplicate check carbons, if you use these, and (5) current year's income tax working papers. After three years, you may move these items to an inactive storage file.

### In a Safe Deposit Box or Fireproof Container (will withstand 1700°F for one hour)

Consider renting a safe deposit box at the bank. Yearly rental is inexpensive and can be claimed as an income tax deduction if investment documents or securities are stored in the box. Often the smallest size box is adequate, although larger sizes are available at a higher charge.

A safe deposit box should be large enough to hold everything that should be in it – and small enough to keep out things that don't need to be there. A guideline as to what goes in and what stays out of your

safe deposit box might be to consider the cost and time it will take to get a replacement.

Important records to keep in a safe deposit box might include:

Adoption papers  
Automobile titles/bills of sale  
Birth certificates  
Church records  
Citizenship records  
Contract papers  
Death certificates  
Divorce and separation papers  
Household inventory (original)  
Leases  
List of insurance policies  
Marriage certificates  
Military records  
Passports (optional)  
Patents and copyrights  
Property deeds and mortgage papers  
Savings and investment certificates  
Savings bonds  
Social security card  
Wills

The original copy of a will can be kept in a safe deposit box or in the safe of the attorney who prepared it. If the box is owned jointly, the co-owner has access to the box after death. If the will is kept in the box, keep a copy at home for reference purposes.

Savings bonds can be replaced without cost. But securing replacement bonds can take time. They are best kept in a safe deposit box.

Items that can be replaced rather easily do not need to be kept in a safe deposit box. Copies of insurance policies can be obtained from your insurance company. The bank can get copies of cancelled checks, usually for a fee.

### Income Tax Records

A common question is how long to keep income tax records. In most cases the Internal Revenue Service (IRS) has three years to audit federal income tax returns. The three-year time period is calculated from the date filed or due or two years from the date the tax was paid, whichever date is later.

In unusual cases, this limit does not apply. If you failed to report more than 25 percent of your gross income, the IRS has six years to collect the tax or start legal proceedings. There is no limit if you failed to file a return or willfully filed a fraudulent return.

All receipts, statements or other documentation used for income tax purposes can be kept with a particular year's income tax records. Saved records include all W-2s, 1099 forms or any other IRS form you receive for the certain tax year. Receipts are important because the IRS doesn't accept a cancelled check as proof of payment. However, some persons may want to keep a copy of the year's bank statements to recall financial activity should you face an audit.

Assuming your financial activity is non-eventful, you can discard your tax records sometime after seven years. One piece of evidence you may want to save in your retirement files is any IRS Forms 8606, Nondeductible IRAs and Coverdell ESAs, you filed in the years when you made a nondeductible contribution to an Individual Retirement Account (IRA). This evidence is needed to justify why any portion of IRA withdrawals are not fully taxable.

## What to Keep – What to Discard

### Keepers

- Store records you want to keep indefinitely in your permanent records.
- Keep all records that might be used for proof of ownership, resale purposes or income tax.
- Keep all medical bills and insurance claims until paid in full. The exception is medical receipts if you are itemizing on your taxes or those you want to save as evidence of certain treatments. You will also want to keep a copy of health records, including shot records, prescriptions and x-rays.

### Discards

At least once a year – tax time is a good time – sort through all your active files and discard records that you are sure you will never need again.

- Cancelled checks that are not needed for proof of purchase or income tax purposes; for example, checks for groceries, clothing, monthly utility bills or cash.
- Receipts that are recorded in your account book, if they will not be needed for resale or tax purposes.
- Records of appliances that have been replaced.
- Sales slips that have been recorded under the proper category in your account book.
- Warranties that have expired.

- Washing and cleaning instruction for fabrics and garments no longer used.

## Caring for Family Records

Family records kept at home should be stored properly to prevent damage as well as loss. Store items unfolded in a dry area with good air circulation. If moisture is a problem, in enclosed areas such as file cabinets or closets, keep the area as free from moisture as possible. A chemical dehumidifier (silica gel granules) may be used to decrease moisture. If you use chemical methods to decrease humidity, remember that these chemicals are toxic and should be kept away from small children.

Keep in mind, using proper storage techniques is easier than trying to restore papers after damage has occurred. It is smart to check records often to determine if any damage has occurred.

If you find records have already mildewed, remove any dry, loose mold from the paper with a soft brush or a clean, soft, white cloth. Talcum powder may be used for this purpose. After cleaning, spread the cleaned pages out to air-dry. If the papers are very damp, use blotting paper, white felt or white towels to remove excess moisture.

## Make a Valuable Papers Inventory

Everyone should keep a record of the whereabouts of important papers. Office supply or book stores sell record keeping books. Software programs are also helpful. No one method is perfect and you will have to adapt the forms for your use. Some persons prefer to use a spreadsheet, a word processing table or even a simple notebook. You might want to create your own system after studying the information in the fact sheets listed below.

## Record Keeping Publications from Your County Extension Office

FSHEC75	A Sample Filing System
FSHEC130	Household Inventory
FSHEC49	Preparing Family Net Worth and Income Statements
FSHEC45	Replacing Valuable Papers
FSHEC51	Safe Deposit Box Inventory

## How Long Should Valuable Papers Be Kept?

The length of time that valuable papers need to be kept depends upon their purpose and when they cease to be of value. The following table contains information on how long certain valuable papers should be maintained.

Valuable Papers	Review annually (Revise as necessary)	Update annually	While in force	3-6 years* (if income tax related)	Up to 6 years	During ownership	6 years to permanent	Permanent
Automobile Titles						•		
Bank Records								
Cancelled Checks				•				
List of Account Numbers			•					
Savings Deposit Books			•					
Church Records								•
Debt Records			•	•				
Educational Records								•
Farm and Other Family Business Records					•			
Home Improvement Records				•				•
Income and Employment Records							•	•
Income Tax Returns and Supporting Records							•	
Insurance Policies			•					
Inventory of Safe Deposit Box	•							
List of Credit Cards (with address and phone numbers)	•							
Net Worth Statement		•						
Personal Property Inventories		•						
Property Tax Records				•				•
Receipted Bills and Sales Slips				•		•		
Retirement and Pension Plans			•					
Warranties and Guarantees			•			•		

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