

# All About Money

## Household Record-keeping Tips

**Suggested Home Files:** In addition to documents kept in a safe deposit box (costly or hard-to-replace items such as original birth and marriage certificates, property titles, etc.), many important records need to be filed systematically and conveniently at home. The following chart lists records and important papers typically needed by many families. Because your household is unique, you may have additional records for your household file or safe deposit box. Space to list these appears at the end of the chart.

WHAT?	WHY?	HOW LONG (usually)?
1. Bank Records Cancelled checks* Bank statements Deposit slips List of account numbers Savings acct. statements	Proof of payment of bills; tax claims* As a monthly financial record Comparison with bank statements Information for family members Information for family members; tax claims*	3-6 years* 2 years 3-6 months While in force While in force plus 3-6 years*
2. Church Records	Reference and information for family members	Permanent
3. Debt Records	Proof of terms of transactions; income tax deductions (non-consumer credit)	While in force plus 3-6 years*
4. Educational Records	For employment references and/or admission to training programs or educational institutions	Permanent
5. Employment Records	To document work and income history for Social Security and other benefits (including annual IRS form W-2)	Permanent
6. Farm or Other Family Business Records	Analysis of farm or other family business enterprise; income tax preparation	Up to 6 years*
7. Genealogy (family tree)	Reference for family members	Permanent
8. Health Records of Individual Family Members	School admission; passport; reference of family members	Permanent
9. Home Purchase & Improvement Records	To calculate basis and capital gains or losses when property is sold; support income tax claims	During ownership (plus 3-6 years after taxable disposition of property)*
10. Household Account Book	As basis for planning future spending; reference for financial analysis	2 or more years
11. Income and Employment Records	Reference for income tax, social security and retirement contributions; employment documentation	6 years to permanent*
12. Income Tax Records	Support claims if return is audited (also keep supporting records)	3-6 years or permanent*
13. Insurance Policies**	Reference for periodic updating of coverage and/or payment of claims	While in force**
14. List of Contents of Safe Deposit Box	Reference and information for family members; documentation for insurance settlement should loss occur (fire or theft)***	Revise as contents change
15. List of Credit Cards (with address and phone number of each creditor)	For notification of creditors and replacement in case of loss	Review annually; revise as creditors change

WHAT?	WHY?	HOW LONG (usually)?
16. List of Creditor Addresses and Telephone Numbers for BILLING ERROR Notification	Address for “billing error notification” often is different than either the payment address or the “lost card notification” address	Review annually; revise as creditors change
17. List of Creditor PAYMENT ADDRESSES, Telephone Numbers, and Payment Dates	For quick reference in case statement or payment notice does not arrive in mail	Review annually; revise as creditors change
18. Net Worth Statement	For overall list of financial assets and liabilities; traces financial progress and serves as starting point for future financial planning	Update annually; retain as interested
19. Personal Property Inventories (copies of originals kept in safe deposit box)	Reference and information of family members; documentation for insurance claims	Revise annually (especially when new items are acquired or when items are sold or discarded)
20. Property Tax Records	Proof of payment; tax preparation; future reference	3-6 years* or permanent
21. Receipted Bills and Sales Slips (tax deductible items*)	Proof of paid bills; support income tax claims; proof of ownership for property insurance claims**	3-6 years* or during ownership**
22. Retirement and Pension Plans	Reference and information for family members	While in force
23. Warranties	Reference and information; adjustments of defects of equipment or parts	During ownership
24. Other (list)		
25. Other (list)		
26. Other (list)		

\* Note that the Internal Revenue Service has three (3) years in which to audit Federal income tax returns (or two years from the date the tax was paid, whichever is later). However, this limit does not apply in “unusual” cases. If an amount of income that should have been reported was not reported, and it is more than 25 percent of the income shown on the return, the period of limitation does not expire until six (6) years after the return was filed. There is no period of limitation when a return is false or fraudulent, or when no return is filed. (See IRS Publication #552, “Record-keeping for Individuals.”)

While you don’t have to keep all possible financial records for tax purposes, if audited you will want to have cancelled checks and/or payment receipts relating directly to entries on your tax return. In some cases, it is advantageous to keep records longer than the typical period—for example, when selling your principal residence and claiming the capital gains exclusion allowed by IRS, documentation of original purchase price and capital improvements can be required.

\*\* Check with your insurance agent or broker for company requirements of proof of purchase and/or ownership of real and personal property in the event an insurance claim is filed. (In some cases, payment receipts are required; in other cases a written inventory and/or photographs is adequate documentation.)

\*\*\* Contents of a safe deposit box usually are not covered by Federal Deposit Insurance Corporation (FDIC). Check with your insurance broker/agent regarding coverage under your homeowners insurance policy or other coverage provisions available.

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