

FINANCIAL DOCUMENTS: What To Keep And What To Discard

What to keep for 1 month:

- ATM Receipts-when you balance your checkbook each month throw out the ATM receipts.
- Sales Receipts-unless needed for tax purposes then keep for 3 years or until warranty expires or you can no longer return or exchange the item purchased.

What to keep for 1 year:

- Paycheck Stubs-you can get rid of these once you've compared them to your W2 and annual social security statements.
- Utility Bills-unless you are using these as a deduction like a home office, then you should keep them for 3 years after you've filed that tax return.
- Quarterly Investment Statements-keep these until you receive your annual statement.
- Cancelled Checks
- Credit Card Receipts
- Bank Statements

What to keep for 3 years:

- Income Tax Returns-keep in mind that you may be audited by the IRS for no reason up to three years after you filed a tax return. If you omit 25% of your gross income that goes up to 6 years and if you did not file a tax return at all, there is no statute of limitations.
- Medical Bills & Cancelled Insurance Policies
- Records of Selling a House
- Records of Selling a Stock
- Receipts, Cancelled Checks and other Documents that Support Income or a Deduction on Your Tax Return-keep these for 3 years from the date the return was filed or 2 years from the date the tax was paid, whichever is later.
- Annual Investment Statement-keep these for 3 years after you sell your investment.

What to keep for 7 years:

- Records of Satisfied Loans

What to hold while active:

- Contracts
- Insurance Documents
- Stock Certificates
- Property Records
- Stock Records
- Records of Pensions and Retirement Plans
- Property Tax Records Disputed Bills-keep the bill until the dispute is resolved.
- Home Improvement Records-hold for at least 3 years after the due date for the tax return that includes the income or loss on the asset when it is sold.

What to keep forever:

- Marriage Licenses
- Birth Certificates
- Wills
- Adoption Papers
- Death Certificates
- Records of Paid Mortgages

*These documents should be kept in a very safe place, like a safety deposit box.