

FEBRUARY, 2004 NEWSLETTER

GET ORGANIZED IN 2004

To Keep or Not to Keep?

It seems like getting organized is the latest trend in the United States. There are many ways to get organized and even shows on television that will show you how. However, getting organized isn't enough, you have to know what to keep and what to throw out. Now, we can't help you make some of the harder decisions like whether to keep the towels your Grandmother gave you 12 years ago but we can help with the paperwork and receipts you have around the house.

The following are guidelines only, for the official IRS guidelines, read Publication 552; Recordkeeping for Individuals.

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Toss After One Year

- Automobile records (for a car you no longer own)
- Cable bills (household). If you're deducting the cost of cable, keep the bills for seven years.
- Cell phone bills (personal). If you're deducting the cost of the cell phone or of any calls, keep the bills for seven years.
- Certificate of deposit (that's expired)
- Credit card receipts and statements (personal). If you're deducting items or services you've charged, keep the receipts and statements for at least seven years.
- Passport (expired). If you've replaced the expired passport, you can destroy the old one or keep it as back-up ID.
- Professional dues (that you're not deducting). If you're deducting the dues, keep receipts and canceled checks for at least seven years.
- Receipts (for items you didn't deduct or get reimbursed for)
- Service agreements (expired)
- Social Security statements (from prior years). Keep the most recent statement.
- Telephone bills (personal). If you're deducting any calls or the cost of telephone service, keep canceled checks and itemized bills for at least seven years.
- Utility bills (household). If you're deducting any utilities, keep canceled checks and bills for at least seven years.
- Warranties (expired)

Toss After Three Years

- Loans (that you've paid off)
- Promissory notes (that you've repaid)

Important Note

You may notice a difference in the balance of your account on your creditor statement and your CCCS statement. This is because of a difference in how the interest is calculated. CCCS uses simple interest and creditors do not. Just remember that your creditor statement has the correct balance.

Important Date

February 24, 6:30 Sioux City

Credit When Credit Is Due

Toss After Seven Years

- Accident reports and claims (related to a closed case)
- Automobile records (for a car you donated to charity)
- Bank account statements
- Back-up copies of financial documents on your computer's hard drive
- Brokerage statements (for stocks or mutual funds you've sold)
- Cable bills (that you're deducting)
- Canceled checks (for expenses that you're deducting or for legal matters)
- Cell phone bills (that you are deducting)
- Certificate of Deposit (that's related to your business and has expired)
- Capital improvement receipts (related to rental income from real estate)
- Charitable contribution receipts Child care payment receipts
- Credit card receipts and statements (for expenses you're deducting)
- Dependent care payments
- Flexible-spending account (receipts, statements)
- Home office equipment, supplies (that you're deducting)
- Insurance policy (for a home you've sold)
- Interest expenses (that you're deducting)
- Invoices (for items and services you're deducting)
- IRS Form 1099; IRS Form 1099-R; IRS Form 1099-G
- Lease agreements (related to rental income from real estate)
- Mortgage interest payment receipts
- Property records (related to property you've sold)
- Professional dues (that you're deducting)
- Purchase documents (related to property you've sold)
- Sale documents (related to property you've sold)
- Stock option agreements (which you've exercised)
- Tax returns (personal and business)
- Telephone bills (that you're deducting)
- Title (to property you've sold)
- Utility bills (that you're deducting)

Keep Forever

- Adoption papers
- Appraisals
- Bank account statements
- Birth certificate (certified copy)
- Brokerage statements
- Citizenship papers
- Closing statements (related to property you've sold or to rental income from real estate)
- Confirmation slips (from the purchase or sale of securities)
- Custody agreement(s)
- Deed(s) Keep even if you sell the property
- Deferred-compensation agreements
- Divorce decree(s)
- Distributions from tax-deferred retirement plans
- Financial aid documents
- Gift-tax returns
- Home improvement receipts
- Home inventory
- IRS Form 942; IRS Form 4070A; IRS Form 8606; IRS Form 2119; IRS Form 5498; IRS W-2 forms
- Lawsuits or other legal actions
- Marriage certificate (certified copy)
- Medical records
- Military records (including discharge papers)
- Partnership agreements
- Paycheck stubs (the last one you receive each year)
- Pension plan documents
- Power of attorney
- Property-related paperwork
- Religious documents (ketubah, baptism certificate)
- Retirement plan contributions
- S corporation documents
- Separation agreement
- Stock certificates
- Service agreements (in effect)
- Stock option agreements
- Tax return forms

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