



Creating Order, Relieving Stress, Improving Your Life...

Out With The Old, In With The New!

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January is a great month for new beginnings, and one of the first things on my 'to do' list is to prepare my filing system for the new year.

To simplify my life and make tax time less stressful, I keep two sets of files, one for the previous years' records (that must be retained,) and one for the current year's. When I pay a bill, receive a statement, make a purchase, or get important information in the mail or from other sources, I place each item in its home, a place I've designated where I know I can find it when I need it. Each creditor, utility company, and service provider that I deal with on a regular and repeated basis gets its own file. I also create folders for medical, dental, insurance, investments and personal/family member's records.

Then, at year's end, I empty each folder one by one and sort through its contents. I usually find that I don't need to keep everything that's come in during the year, so I dispose of them properly.

If you don't own a shredder you should gather all your sensitive documents and take them to a facility that will shred them for you.

For example, you may keep credit card receipts until your next statement arrives. If the statement and your receipt reconcile, you can throw the paper receipt away and use your credit card statement as a permanent record.

Note. For major purchases save the receipt with your home inventory in case you need it to make an insurance claim in the future. Next, I sort my statements by month and take a look at what I've spent or earned.

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This is helpful for budgeting purposes. If I need information for tax preparation, I pull the item and put it in a special folder I've created to hold these documents until I'm ready to file.

After I've gone through every file, I return to my previous years' records and insert the most recent year's paperwork in front. While there, I determine if a year's worth of the oldest records can be thrown away or moved to long term storage.

Note. For guidelines on paper retention, speak to your accountant or contact Helping Hands for more information.

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Here again are the steps:

- File papers throughout the year in separate folders, by category
- Try not to let your papers accumulate for more than a week, if possible before filing
- At the end of the year empty each file and review its contents
- Throw out what you don't need
- Shred sensitive documents
- Pull important records for tax purposes and put in a special folder along with documentation that arrives in the mail from employers, government agencies, investment managers and others.
- Review actual budget against planned budget goals
- Add the most recent year's paperwork to your permanent files of previous years' records
- Get rid of outdated folders
- Add new folders as necessary
- Move appropriate records to long term storage.

Now you're ready to start the new year with a sense of order and confidence!

Nancy Peham, owner of Helping Hands Personal Services is a professional organizer and home stager in the Dallas area. Nancy is also available as a speaker and to the media as an organizing expert. For more information, visit her website www.HelpingHandsPS.com