



## Record Keeping—What to Keep and Why!

**Record keeping:** different people use different record keeping systems—and that is fine. The important point is to have a record keeping system, and use the system!

### Why:

- **Help to manage records and papers**
- **Prove what was done**
- **Remember what we have**
- **Protect our assets**

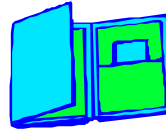


### Three places to keep records:

- **Wallet**
- **Fire-resistant or safe deposit box**
- **Home filing system**

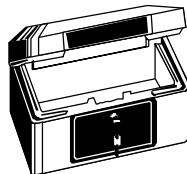
### Store in wallet:

- **Identification cards**
- **Health insurance cards**
- **Emergency medical information**
- **Other cards used often**

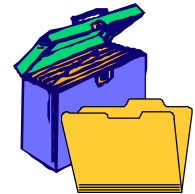


### Store in fire-resistant or safe deposit box:

- **Birth & Death Certificate**
- **Marriage license**
- **Separation papers**
- **Divorce papers**
- **Military Papers**
- **Deeds and titles**
- **Household inventory**
- **Will (if attorney does not have )**
- **Contracts**
- **Other important legal papers**

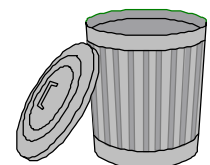
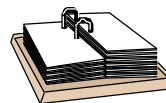


**Home Filing System:** Where you set up groups of records using envelopes, file folders, shoe boxes, desk drawers, shelves or other devices.

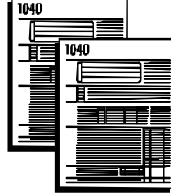


### Keeping Records Up-to-Date:

- Go through records at least every year
  - a few at a time or all at once
- Throw out those records that:
  - have expired
  - have been replaced
  - are no longer important to you
  - no longer needed to prove or protect something important to you
  - no longer help you remember something important



**Tax Records**—should be kept three to seven years because of possible audits by the Internal Revenue Service. Normally, the IRS audits within 3 years. However, the IRS may audit tax returns for up to 7 years if they believe you earned 25% more money than you reported. In cases of suspected tax fraud or failure to file a tax return, the IRS has no time limit for audits.



**Bank Records**—should be kept 3 to 7 years to prove information on tax returns. Cancelled checks should be kept for the period of time your purchase is covered by a guarantee or warranty.

**Records related to Home Improvements**—should be kept as long as you own your home.

Different rules may apply to special cases, such as records related to a home-based business.

**Remember—if we never throw records away, we will end up with too much clutter and may not be able to find our important records.**

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