

PAPER MANAGEMENT TIPS

Tons of paper flood into the average home each day from the mailbox, briefcases, school backpacks and neighborhood / community flyers. Paper clutter costs money, time and stress when a bill is paid late because it was lost or a child does not get to participate in a school field trip because the permission slip was not turned in on time. The key to paper management is to handle each piece one time only as much as possible! Moving a paper stack from place-to-place only increases the chances that something important will be lost.

Begin by establishing a permanent location where you routinely handle all your paperwork. Then make sure these seven essential items are available as you begin your journey towards effective paper management!

#1 - A WASTEBASKET:

The best circular file you have is a wastebasket. It should be used aggressively. Place the wastebasket in your mail sorting area and discard “junk” mail daily. This includes unwanted catalogs, coupons or ad circulars. Do not let it accumulate. Research shows 80% of the paper we receive is never used!

#2 - A CALENDAR:

Everyone knows to write engagements on a calendar but what about all the supporting documentation? For example, you receive an invitation to a baby shower. You write the engagement on your calendar but what do you do with the invitation since it has important information such as the location of the shower and where the mother-to-be is registered? Or you purchase tickets to an upcoming play. You write the play on your calendar but where do you keep the tickets once they come in the mail?

Using this system will keep everything organized without missing any important details:

- Purchase a 3-ring binder, preprinted tabs with the months of the year, a package of plastic sleeve protectors and a regular calendar.
- Place the tabs in the binder and put the plastic sleeve protectors in the back of the binder.
- “Dismantle” the calendar by tearing each month out of the binding. Three-hole punch the top of each month’s calendar and place the month behind the appropriate monthly tab in the binder.
- When something needs to be added to the calendar, go to the appropriate tab and write it on that month’s calendar.
- If the calendar item you added has follow-up documentation to go along with it (such as a shower invitation, festival flyer, permission slip, tickets, etc.) it should be placed in a plastic sleeve protector and put behind the calendar for that month.
- Put an “*” beside the entry on your calendar so you’ll know you have follow-up documentation to go with it.
- Documentation that pertains to multiple months (such as a sports schedule) can be moved from month-to-month by simply removing the plastic sleeve protector from the binder and moving it to the next month.
- Make sure you give each piece of follow-up documentation its own plastic sleeve. Putting multiple documents in one sleeve will make it harder to reference when you need it.

- Once the event has passed, throw out the follow-up documentation and put the plastic sleeve protector in the back of the binder until it is needed again.
- If you would like, you can customize your calendar even more by adding a few additional tabs in the back of the binder such as “Take out Menus” or “Phone Lists”. Place take out menus, to your favorite restaurants, inside their own plastic sleeve protector and enjoy having them close at hand when you need them! Phone lists such as the ones handed out by ball teams are perfect to place behind the “Phone Lists” tab.

#3 - A READING BASKET:

Items in the reading basket can include anything from article clippings to whole newspapers or magazines. Don't place the basket on table surfaces. Instead purchase a low-sided basket and place the basket beside your favorite reading chair. It is best to set aside “reading time” or take some reading along with you to look over while you wait for appointments or while traveling. However, do not get caught keeping two weeks worth of newspapers thinking you will get to them all! You won't! Most people barely have time to read today's paper let alone one from 12 days ago.

Each Sunday, go through the reading basket and discard any newspaper more than one day old, any items you are no longer interested in reading, or items you have already read. The goal is to start Monday morning with a clean basket otherwise in just a few short weeks, your reading basket can be “out of control”. Any articles you would like to save need to be filed in the “Household File Cabinet” out of the way.

#4 - AN ACTION FILE:

The “Action File” is for daily and short-term filing. Begin by placing a small tabletop hanging file in your mail sorting area. Label the file folders:

- **Discussion Items** – place items that require discussion with other members of the family such as events to attend or products to purchase. Note: if it's an event you really want to attend, it's good to go ahead and write it in pencil on your calendar right then and there!
- **To Pay** – place bills to pay in this file so everything is together at bill paying time.
- **Outstanding Projects** – This folder is for specialized projects that involve various steps. Anything that relates to that project goes in the file such as researching a new computer or finding a company to install a sprinkler system. Once the project is complete or the purchase is made, remove the materials and file them if necessary or discard.
- **Information to be Filed** – For example, you receive a statement from your medical insurance company that needs to be filed in your medical insurance file. If you have time, file it immediately in your “Household Files”. If not, place it in this file folder and file it at the end of the week.

Each Sunday, the goal is to empty all files in the “Action File”. The only items you may not be able to remove each week are bills in the “To Pay” file depending on their due dates.

#5 - A HOUSEHOLD FILE CABINET:

Use a good filing cabinet with supporting hanging files. You'll need a supply of hanging file folders (letter or legal), manila interior file folders (letter or legal), 1/5th cut clear plastic tabs for hanging files and 1/5th cut colored plastic tabs for hanging files (at least 4 colors).

- _ Start with broad categories such as "Insurance" then divide each large category into smaller subcategories such as "car", "homeowners", "medical" etc.
- _ Try to avoid vague or nebulous categories like "miscellaneous" or "other". Ninety-nine percent of the time, you can think of a specific category.
- _ When naming your categories, start with a noun. For example, not "past clients" but clients, "past"
- _ Label one hanging file for each major category and arrange the hanging files in alphabetical order. Position the label to the far left of the hanging file.
- _ For subcategories, put each in a manila folder inside the right major category or put each in a separate hanging file behind the main category folder. Arrange subcategory folders alphabetically within the major category.
- _ An additional idea is to use a different color folder or tab for each major category. For example, all "financial" folders are green or have a green label.

Additional tips to help you manage your household file:

- _ Remember that your household filing system is dynamic and ever-changing
- _ Don't be afraid to abandon a category if you don't use it anymore or add a new category if you need it.
- _ Split categories up into smaller pieces if your folders get too stuffed
- _ Purge obsolete information from your files every January.

#6 - LONG TERM STORAGE FILES CABINET:

If you have enough space, you can move long-term storage to another file cabinet and utilize the same category system as your Household File system. If not, the best solution is to purchase "banker" storage or plastic storage bins to store these items. Use the list below to determine how long to keep the "long-term" items:

3 Years:

- _ All tax related records since the IRS has that amount of time after a tax return is filed to conduct an audit. This includes the return itself, W-2's, 1099 forms and supporting documentation.
- _ Canceled checks

6 Years:

- _ More complicated tax returns like the self-employed
- _ Bank statements
- _ After sale of investments



Miscellaneous:

- Current contracts and leases - life of contract plus 3 years
- Housing records – as long as you own the home plus 3 years
- Receipts for Appliances, Computer Equipment, etc. – life of asset plus 3 years
- Warranties / Guaranties – Life of the product

#7 - A SECURE FACILITY:

Use a safety deposit box to store documents with the keep “Forever Rule”. These include:

- Any IRS payments you have made
- Audit reports
- Insurance records
- Legal Correspondence (Marriage Certificates, Death Certificates, Divorce Papers, etc)
- Real Estate Records