



ALEXANDER ASSOCIATES

Recordkeeping and Cash Flow: Effective Techniques

Some documents and records need to be kept indefinitely but most can be discarded after a prescribed period. Here are some general rules of thumb as to how long you should keep them. Keep in mind that there may be individual circumstances in which legal considerations, for instance, dictate that documents be kept longer. The basic rule is: When in doubt, don't throw it out. If you have any questions, check with your financial advisor.

Some documents and records need to be kept indefinitely but most can be discarded after a prescribed period. Here are some **general** rules of thumb as to how long you should keep them. Keep in mind that there may be individual circumstances in which legal considerations, for instance, dictate that documents be kept longer. The basic rule is: When in doubt, don't throw it out. If you have any questions, check with your financial advisor.

Keep Indefinitely

- Birth certificates
- Adoption papers
- Custody agreements
- Death certificates
- Deeds to property
- Divorce papers
- List of assets (keep current)
- List of previous employers
- Loans that have been paid off (canceled notes or other evidence)
- Marriage certificates
- Passports
- Photographic or video record of house and household contents
- Record of any governmental employment (e.g., armed forces)
- Income tax returns (supporting documentation may be discarded after six years)
- Tax forms and supporting records relating to non-deductible IRA contributions
- Tax forms and supporting records relating to sale of a home

Keep for a Prescribed Period

- Bank statements—six years
- Brokers' confirmation slips for purchases—until security is sold
- Canceled checks—six years
- Contracts—seven years after expiration
- Credit card statements—six years
- Receipts for home improvements that can be added to tax basis of home—six years after home is sold in a transaction that is not a "rollover" transaction
- Insurance papers (all types of insurance)—four years after expiration
- Mortgage records—three years after paid off
- Owners' manuals for appliances—until item is discarded
- Receipts for major warranted purchases—until item is discarded or sold
- Records supporting income tax returns and deductions (W-2s, 1099s, receipts)—six years



ALEXANDER
ASSOCIATES

- Warranties and extended service agreements—until expiration

Throw Out Now

- Owners' manuals and warranties for appliances and cars you no longer own
- Receipts for credit card purchases if not major or related to a tax deduction