

PROBLEMS WITH PAPERWORK



"I can't seem to get control of the paper that piles up all over my house. It accumulates on the counters, the desk, the end tables, the dining room table, the coffee table and every other flat surface of my house. At this point, I don't know where to begin to try to sort through it all to separate the important stuff from the junk. Do you have any suggestions?"

Pam from Hope

Yes, we do. Thanks for asking, Pam.

Paper. We had a client with a room-full-o'-paper. Trash bags, bins, boxes, etc. filled with about 8 years worth of every paper item that came into the house. Overwhelming for this person? To say the least! This person had not been able to file his/her taxes for years as all the related documents were mixed in amongst the other items. Here is how we conquered the piles.

Three categories with which to begin:

1. **Important**- Take action now! (Tax related or bring to safe-deposit box) For you, this could mean overdue bills, items on a deadline, etc.
2. **Keep/file**- Papers that client needs and/or wants (pictures, mementos, contracts, warranties, legal, etc.)
3. **Shred**- Anything that is not needed and/or wanted.

Rule: As each pile, bin, box or bag is initially sorted, no single item can be given more than one second of consideration. If unsure, put it in the keep pile.

Once sorted as above:

1. Take **Category 1: Important**, and separate into further categories. For example, in this case we created piles for taxes by year and a safe deposit box file.
2. Separate each Sub-file further such as by property, business, personal, etc. and then bring to accountant. For this client, we took one year of Taxes and broke it down into sub-files such as rental properties by address, medical/dental expenses, charitable donations, and such. Once that was completed, the files were easily totaled to bring to the accountant for filing.

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3. Bring items to safe deposit box.
4. Next, take **Category 2: Keep/file**, and create File Folders (computer if scanning/ manila if filing) for items that **NEED** to be kept.

Use below as a guide.

- a) Safe deposit or Fire-proof box: Birth/death certificates, SS cards, Marriage license, CURRENT insurance policy, Appraisals, Wills, Deeds, Titles, Trusts.
 - b) Tax returns- by year for years recommended by IRS (see IRS website- differs according to your situation).
 - c) Receipts/Warranties- for major purchases and those items still under warranty.
 - d) Real estate/residence records- home improvement, loan agreements, etc.
 - e) Financial- Annual- Year-end summaries for credit cards, mutual funds, bank statements & other investments by account- for past 6 years.
 - f) Financial- Monthly- Same as #5 for year by month (past 12 months).
 - g) Income- Pay stubs & direct deposit stubs for bank accounts, by month for 12 months.
 - h) Accounts- Credit card receipts, withdrawal and deposit slips, and such, for one month- shred after reconciling w/statement.
 - i) Per Person- Work agreements, medical records, school records, commendations, awards, certificates, etc.
5. Create a system for things that you **WANT** to keep:

While sorting, consider the following when evaluating what you really *should* keep.

- a) Do I have enough of these?
- b) Will I have time to read/review it?
- c) Is the information current or relevant?
- d) Could I get this information again if I found I actually needed it?

A good example here is magazines. How long does it take you to read one magazine? How many magazines do you have? Multiply the time to read one by the number of individual magazines and then ask yourself, "Do I really have the time to read *all* these magazines?"

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6. Now, categorize what is left and find the best/most appropriate home/use for them. Here are some suggestions.

- a) Pictures- picture boxes, albums, frames, shadow boxes. GET RID OF THE PICTURES OF PEOPLE YOU DON'T EVEN KNOW or those that are out of focus, too dark, or just plain bad. Further, you don't have to feel guilty about throwing out the picture Christmas card you received 15 years ago of a co-worker's toddler and dog. They really aren't going to show up at the door expecting to see it framed above the mantel. Trust me on this.
- b) Recipes- books or boxes. How much cooking do you really do? Recipes are readily available online for everything you can imagine creating in the kitchen. If the recipe entails techniques, ingredients or equipment with which you are unfamiliar, don't keep it. Stick to the few you may actually use for now, and try others when you are less overwhelmed.
- c) Cards, kids' drawings, etc - scrap book, album, memory box. This is a toughie for a lot of people! The emotional attachments and memory aids from people we love or have loved or from happy times in our lives. A good rule of thumb is to only save those few that are EXTREMELY creative or unique. For kids, this means that you can throw away all the math facts worksheets and spelling tests, and save some of the drawings, poems or stories. One of my favorites from a client's home was a "When I grow up I want to be..." story that her now 35 year old child had written in second grade. A hand-written love note from a now deceased spouse is another "treasure" that is worth preserving over every single Hallmark card he/she ever signed.
- d) Business cards, envelopes, etc.- address book, bulletin board, calendar. Creating a central location to record addresses and business contacts, as well as, upcoming appointments is essential to your sanity. Sifting through piles of paper for hours looking for a 2" x 3" card to find the phone number for that fantastic Organizing Company NJ something that so and so told you about is enough to drive anyone batty. Take the 30 seconds to write it in a good old-fashioned organizer or to enter it in your computer. If that is too much to handle, get a bulletin board and stick it to the inside of your basement or pantry door with double-sided adhesive (mirror) tape. It's a start and gets the information vertical, at least.

7. Lastly, **Category 3: Shred**. If you have tons of papers to shred, contact your local city/town waste department as ask if they have bulk shredding available to residents. If not, there are numerous companies that offer this service for a nominal fee per pound. It is imperative that you not dispose of paperwork with your normal household trash. Identity theft is a real threat and can be devastating to victims. If you happen to have an outdoor fireplace or furnace, you could roll the paper into kindling logs and burn them, however, do not attempt to burn large amounts of loose paper at one time or to burn them in a household fireplace or woodstove.

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Why this system works:

As most of you have probably found out, when you are faced with more paper than you can handle in one day and you try to sort into 15 different categories right away, the piles get kicked over, mixed up, and confused leaving you frustrated and always starting back at the beginning. This method starts with a quick and simple three category system you can sort into bins/boxes. (I suggest taping an index card or putting a label on each of the three bins.) It becomes so much easier that you can do it while watching TV or talking on the phone. By breaking the process down into simpler steps with larger categories, it becomes less confusing to begin and follow through to completion. When the backlog is finished, follow the same “rules” with all other paper items that come into the house, on a daily or weekly basis, until it becomes habit. You can get the whole family “trained” by putting sticky notes where items should and should not go. Ready? Get organized!

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