

PAPER & INFORMATION MANAGEMENT

You've probably heard it said that we are becoming a paperless society – transitioning from paper documents to electronic documents. Although we are heading in that direction, we're not there yet. Papers still enter our homes from a variety of sources: mail, work, school, church, clubs, organizations, and activities. They seem to be in every nook and cranny of our houses, all demanding some form of attention:

Some need to be paid.

Some need to be filed.

Some need to be read and/or researched.

Some need to be calendared.

And, some prompt a written response, a phone call, or even an errand.

Others need to be reviewed to determine what action to take.

Processing paperwork is something many of us put off as long as we can. However, not handling certain papers in a timely manner or ignoring them altogether, can create a host of costly consequences.

Add to this all of the electronic documents and information on our computers and managing all of this information can feel overwhelming.

If you want to simplify all of your papers, electronic documents, and information, *Paper & Information Management* can help.

Through *Paper & Information Management* you will:

- organize your papers into an easy to use filing system
- know which papers to keep, which to scan, and which to toss
- learn how long you need to keep your papers and documents
- organize your electronic documents into an easy to use system
- compile important information for quick reference
- have a strategy for processing your paperwork

Just turn the page and you're on your way!

FILING PAPERS

NEEDED

___ File Storage

- cabinet, crate, or cart
- letter or legal size

___ File Folders

- letter or legal size
- standard or hanging (or standard folders stored in larger “box bottom” hanging files – i.e., files with a wide bottom that hold more folders.) If you intend to use hanging folders, also purchase 3.5” tabs with inserts
- tab cut options
The file folder labels included in this manual are sized to fit folders with one-third cut tabs (as well as 3.5” hanging folder tabs)

___ “Top Twenty Filing System” removable labels (included)

The purpose of a filing system is to reduce the amount of time it takes to locate papers. Just imagine how helpful it will be to have your papers consolidated into one location and logically placed for quick and easy retrieval. Papers – handy when you need them!

You may have already discovered that there are many different ways to set up a filing system. In fact, if you were to ask a group of professional organizers to develop a filing system, you probably would not find two identical systems. While there is not necessarily one right way to file, some systems *are* more effective than others.

The best filing systems are simple and easy to understand.

The most important factor in creating a simple system is to have the right number of folder categories. With too many categories it will be difficult to remember the folders you have, making filing more complex and time consuming. With too few categories, there will be too much variety in each, increasing the time it takes to find a paper within the folder. Simple systems will have an adequate number of categories for your filing needs, but not so many that you have difficulty remembering which folders you have.

The best systems are also logical.

There will be consistency in how folders are titled. The easiest systems are titled by category as opposed to specific names of vendors/companies, etc. For instance, utility folders would be

titled “Electricity,” “Phone,” etc., as opposed to filing by the names of the utility companies, such as “Power Electric,” and “Belle Communications”. Filing by category is also preferable because the companies you do business with may change but the categories will remain the same. And, filing by category will also make it easier for other family members to use the system.

Orderly Living’s™ Top Twenty Filing System categories were designed with these features in mind.

The following instructions are for setting up your home filing system. If you have a home-based business, keep all business-related folders in a separate filing system.

STEP ONE – SELECT YOUR FOLDER CATEGORIES

- ☐ Determine which of the following filing system categories are appropriate for your needs. *However*, all filing systems should include the first three categories listed (“Action/Financial,” “Action/General,” and “Action/Pending”). These folders will be used in conjunction with “Processing Your Paperwork,” which we will cover later.

THE TOP TWENTY FILING SYSTEM CATEGORIES

___ Action/Financial	___ Medical/Health
___ Action/General	___ Memberships/Subscriptions
___ Action/Pending	___ Miscellaneous
___ Auto/Other Vehicles	___ Personal
___ Coupons	___ Pets
___ Financial	___ Reference
___ Fun/Entertainment	___ Special Occasions/Holidays
___ Home	___ Travel
___ Insurance	___ Utilities
___ Legal/Important Documents	___ Warranties/Instructions

STEP TWO – SORT YOUR PAPERS

- ☐ Gather all of your papers into one location.
- ☐ Create a *temporary* folder for each category you have selected (i.e., write the category on an index card or sticky note and affix it to the front of the folder). The reason for initially making temporary folders is that only after you have completed sorting your papers will you know how many folders you will need for each category, and be able to determine which sub-categories, if any, you need.
- ☐ Review each paper and take one of the actions listed below:

Shred it – Papers you do not want or need that contain personal or sensitive information.

Toss it – Papers you do not want or need that do not contain personal information.

Re-route it – Papers that need to be given to others.

Scan it – Papers you choose to convert to an electronic file. (Note: The IRS now allows tax-related receipts to be saved electronically. Insurance companies have also begun accepting electronic receipts. Check with your insurance company to confirm their policy on this.)

File it – Papers for your home filing system.

Three Basic Reasons to Keep Papers

- **Proof:** Proof for tax purposes; proof of identification, accomplishments, events, the value of household goods and home improvements, asset value, anticipated income, etc. Keep tax-related records for a minimum of 3-7 years with a few exceptions such as IRA records and records relating to the financial basis of property you own. These should be kept indefinitely.
- **Reference:** Keep as long as you anticipate needing to refer to the information contained therein.
- **Keepsake:** Keep permanently, with obvious exceptions such as an over-abundance of your children's school papers and artwork – select favorites and take digital photos of others.

See "Filing Suggestions," pages 135 - 137 for recommendations on which papers to keep (scanned or otherwise) and how long to keep them, as well as which papers to keep in your safe deposit box.

If you come across a paper that you intend to discard at a future date, jot down that date on the paper. This will save you time later when cleaning out your files.

Most papers will be easy to place. However, there may be some papers that could logically be filed in more than one folder, such as a medical receipt filed with your health insurance claim. It could be filed under "Insurance" or "Medical/Health." In such cases, don't fret about where to file these papers. Remember the goal in setting up your filing system is to reduce the amount of time it takes to locate papers. Therefore, even if you have to look in two files instead of one to find a paper, you have accomplished your goal. However, once you make a decision about which file to use, be consistent when filing other papers of the same type.

When grouping papers together in a file, it is best to staple them or use binder clips. Paper clips can slip off and rubber bands break.

- ❑ After filing all of your papers, divide any folders that may be too full (an inch or more in thickness), into two or more folders. Based on your preference, you can have more than one folder of the same main category without sub-categorizing the file contents. Or you can sub-categorize. This is strictly a matter of preference. If you choose to sub-categorize, go to Step Three, below. Otherwise, go to Step Four.

STEP THREE (OPTIONAL) – SUB-CATEGORIZE YOUR FOLDERS

- ❑ There are three different ways to sub-categorize a folder: by topic, by date, or by topic and date. You can also sub-categorize different ways for different folders, although it is best to be consistent with the type of sub-categories you use within each main category. (See suggested sub-categories, pages 135 through 137.)

Sub-categorizing by Topic:

AUTO Honda Civic	FINANCIAL Federal Income Tax
INSURANCE Health / Disability	UTILITIES Telephone / Cell Phone

Sub-categorizing by Date:

AUTO 2004 - 2007	FINANCIAL January – March 2007
INSURANCE 2007	UTILITIES January - June

Sub-categorizing by Topic and Date:

AUTO Honda Civic / 2009 - 2014	FINANCIAL Federal Income Tax 2012-2014
INSURANCE Health / Disability - 2014	UTILITIES Telephone / Cell Phone - 2014

STEP FOUR – CREATE YOUR PERMANENT FOLDER LABELS

- ☐ After you have decided which categories in the Top 20 Filing System you need and how many of each, create permanent labels for your folders. A set of pre-printed labels are included with this manual.
- ☐ If you have chosen to sub-categorize your folders, list the sub-categories on the lines provided below the main categories. See examples above.

At this point you have already organized your papers *into* your folders. Organizing papers *within* your folders is optional, based on how much structure you prefer.

STEP FIVE (OPTIONAL) – ORGANIZE WITHIN YOUR FOLDERS

- ☐ Within each folder, group like papers together. Then place papers within each group in reverse chronological order with the most recent papers toward the front. Reverse chronological order is recommended because it is more likely that you will need to refer back to what you have filed most recently and these papers will be easily accessible.

PROCESSING PAPERWORK

NEEDED

Basic Office Supplies:

___ Paper and Stationery	___ Paper Clips/Binder Clips	___ Ruler
___ Memo/Note Pads	___ Stapler & Staples	___ Postage Stamps (purchase
___ Envelopes	___ Staple Remover	via internet to save time)
___ Index Cards	___ Tape	___ Computer and office
___ Labels	___ Rubber Bands	equipment supplies
___ Pens and Pencils	___ Glue Stick	
___ Correction Fluid	___ Scissors	

- ☐ Review the information below for instructions on how your “Action” folders will help you stay on top of your paperwork.

ACTION FOLDERS

The first three folders of the Top Twenty Filing System categories are your “Action” folders. These folders are used for paperwork that requires an action, either now or in the near future. These folders include:

Action/Financial: for bills and correspondence/paperwork regarding financial matters. Also store your budget, checks, check register, and bank account reconciliation forms in this folder. Keep banking and charge receipts in this folder until your bank statements and charge statements have posted and you can verify that the amounts have been correctly recorded.

Action/General: papers (other than financial) that require an action, such as:

- Read/Review
- Research
- Enter on Computer
- Errand
- Written Response
- Call
- To Be Filed (if you prefer to file weekly, instead of daily)

Action/Pending: papers that will soon require an action but the action cannot yet be taken because it is for a future date, you are waiting on a reply from someone else, or you are waiting on further

information before you can proceed. Examples: invitations and announcements for future events, paperwork awaiting a response, future appointments.

Suggested maintenance steps for this system include sorting your mail and incoming papers into your action folders daily, unless they require immediate action, and placing them in priority order. Work your action files at least once a week. Add a reminder to your calendar until this becomes routine.

What if you are starting off with a major backlog of paperwork?

- ☐ Should this be your situation, commit 15-30 minutes a day to working your action folders until you catch up. Of course, new mail and papers will be coming into your house during this time. The objective is to process more papers each day than you take in. If need be, adjust the time you spend working your folders so that you are making daily progress.

FILING ELECTRONIC DOCUMENTS

NEEDED

Filing Electronic Documents

- ___ Computer
- ___ Word processing software application (such as Microsoft® WORD)
- ___ Scanner (can be purchased for about \$100)

Filing electronic documents closely mirrors filing papers. Once you have created your household filing system you can easily create your electronic filing system.

There are many benefits to creating documents electronically and to converting papers into electronic documents via scanning.

BENEFITS OF ELECTRONIC DOCUMENTS

- Permanency - Electronic documents do not disintegrate or fade with time.
- Space Saver – Does not require file cabinet space.
- Communication – Electronic documents can be easily and quickly shared.
- Accessing Data – Documents can be easily and quickly accessed by searching for document titles or keywords.
- Editing – Although image files are not necessarily editable, documents created electronically can be edited.
- Backup – Electronic documents and files can be easily backed up in various formats (to a cloud storage or a flash drive). And paper documents and images can also be scanned into an electronic document.

Once again, if you have a home-based business, keep all business-related filing separately.

STEP ONE – SELECT YOUR FOLDER CATEGORIES

- ☐ Determine which of the following filing system categories are appropriate for your needs.

THE TOP TWENTY FILING SYSTEM CATEGORIES

- | | |
|--|---|
| <input type="checkbox"/> Action/Financial | <input type="checkbox"/> Medical/Health |
| <input type="checkbox"/> Action/General | <input type="checkbox"/> Memberships/Subscriptions |
| <input type="checkbox"/> Action/Pending | <input type="checkbox"/> Miscellaneous |
| <input type="checkbox"/> Auto/Other Vehicles | <input type="checkbox"/> Personal |
| <input type="checkbox"/> Coupons | <input type="checkbox"/> Pets |
| <input type="checkbox"/> Financial | <input type="checkbox"/> Reference |
| <input type="checkbox"/> Fun/Entertainment | <input type="checkbox"/> Special Occasions/Holidays |
| <input type="checkbox"/> Home | <input type="checkbox"/> Travel |
| <input type="checkbox"/> Insurance | <input type="checkbox"/> Utilities |
| <input type="checkbox"/> Legal/Important Documents | <input type="checkbox"/> Warranties/Instructions |

STEP TWO – CREATE FOLDERS FOR EACH OF YOUR CATEGORIES

- ☐ Create a folder for each of the categories you have selected.

STEP THREE (OPTIONAL) – SUB-CATEGORIZE YOUR FOLDERS

- ☐ Create sub-categories using the guidelines on page 135.

STEP FOUR – TRANSFER EXISTING DOCUMENTS INTO YOUR FOLDERS

- ☐ Transfer your existing documents into the appropriate folders.

ORGANIZING IMPORTANT INFORMATION

NEEDED

- ☐ Contact List (Select one of the following.)
 - computer/internet (contacts feature in your email account / sync with smart phone if you have one / do not use a smart phone as the only source for your contact list unless you sync it with your email account or a cloud storage for backup purposes)
 - computer (word processing software)
 - electronic organizer (with printing capability)
- ☐ Camera or video camera (for household inventory)
- ☐ One copy of Homeowner's Record form (if you are a homeowner)
- ☐ One copy of Information for Executor/Executrix form for each adult in your household

Investing a small amount of time to compile important information will prove valuable to you later. A great contact list is a good place to start:

CONTACT LIST

Although there are attractive address books on the market, there are definite advantages to maintaining contact information electronically:

- Contacts are automatically alphabetized.
 - If an address or phone number changes you can easily edit the information.
 - There will be ample space for notations for each contact on your list.
 - You can search for names, numbers or other specific information.
 - If synced with another device or a cloud storage it is automatically backed up.
 - Printing a paper copy is an option.
- ☐ Create your electronic contact list by entering contact information for personal contacts, places of business you frequent and companies with which you have accounts. Include name, address, phone numbers, and e-mail addresses.

If you opt to use your computer word processing software to create your directory, the following is a suggested format:

Font: Arial or another similar-sized font / 10 point

Paper Size/Layout: 8.5" x 11" / All Margins .5" / 4 Columns

Contact names: use bold print (address, phone, and other information not in bold) List alphabetically (Last name, First name). List your personal contacts first, then contact information for businesses and services you use.

- ☐ Additional notation ideas might include:

___ birthdates (include year if you have that information)

___ name of spouse and/or children

___ Christmas card register

___ gift ideas

___ food allergies

___ handy information about places of business and companies that you do business with, such as account numbers and hours of operation

NOTE: Keep information security in mind if your directory will be kept in a place where it could be seen by others.

HOUSEHOLD INVENTORY

Having a household inventory can make a major difference in loss recovery from a variety of circumstances such as natural disasters, theft, fire, etc.

- ☐ Videotape or photograph the contents of your home. As you go throughout your home, remember to open cabinets, drawers and closet doors, narrating the video by describing valuables and less obvious items and noting the number of items when applicable. You will need two sets of your photos or video.
- ☐ Store one form and photos/video at home in your filing system (under “Home”) and one away from your home – either in a safe deposit box or with a relative or friend. NOTE: If you live in an area with the potential of widespread natural disasters (such as hurricanes), it is recommended that you store one set of these household inventory records out of town – perhaps with a relative or friend.

HOMEOWNER’S RECORD

- ☐ If you own a home, complete this form. The information will be useful in helping to calculate the adjusted basis of your home. File under “Financial.” If you sub-categorize, file under “Financial / Homeowner’s Record.”

INFORMATION FOR EXECUTOR / EXECUTRIX

Anyone who has ever had a family member pass away and has had to hunt for this information (or had to guess about their loved ones wishes) can vouch for how valuable this form can be.

- ☐ Each adult in your family should complete, date, and sign one of these forms. File under “Legal / Important” (if you sub-categorize, use the sub-category “Executor / Executrix Info”). A copy (or duplicate original) of the completed form should be given to whomever is designated as executor or executrix. That person should also be made aware of the location of your filing system. NOTE: This form purposely contains no copyright information to encourage that it be shared with others.

PAPERS

MAINTENANCE

SORT MAIL AND INCOMING PAPERS

- Sort mail and other paperwork as soon as possible:
 - 1) Toss what needs to be tossed.
 - 2) Place mail/papers for other family members in a place that has been designated for their mail.
 - 3) Place bills and other papers requiring a response or action into your Action folders, unless they require immediate action.
 - 4) For mail and papers that list an upcoming event that you want to remember, first transfer pertinent information to your calendar, then file in your Action / Pending file until the event is past.
 - 5) File what requires filing. Or, if you prefer filing weekly, place items to be filed in your Action / General file.

Suggested frequency: Daily.

PROCESS YOUR PAPERWORK

- Work your Action / Financial file as outlined in the Maintenance section of System Two (Budget Simplicity), and process any other finance-related papers in the file.
- Work your Action / General file. As needed, update your Household Inventory, Homeowner's Record and Information for Executor / Executrix. Set aside time at least once a week for this.
- Check your Action / Pending file to see if anything in it is newly ready for processing.

Suggested frequency: Weekly / Add calendar reminder if needed.

WEED OUT FOLDERS

- Weed out your folders. Shred or toss, as needed.

Suggested frequency: Annually / Add calendar reminder if needed.

OPTIONAL SYSTEM ENHANCEMENTS

PERSONAL INFORMATION FORMS

Select whichever forms below you wish to use for each family member. Make as many copies as needed. Complete each form and file in the “Personal” folder for each family member.

- General Information

This information is often requested on forms and applications.

- Health Information (2 pages)

These forms will be useful when applying for health or life insurance or when completing the medical history form required by doctors on your initial visit. If you have young children, you may also want to let your babysitter know the location of these forms should a medical emergency arise while you are gone. The first form is self-explanatory. The second form can be completed with general information only or with detailed information. General information would include all medical information you would be required to divulge when completing a health or life insurance application as well as information regarding measles, mumps, and other such common illnesses. If you want more detailed medical information, record each doctor visit and illness in addition to the above.

- Educational Information (2 pages)

It is recommended that you keep detailed information for your children. Adults would only list the dates, names, and addresses of high school(s) attended, and any post-high school education.

- Employment History

Use this form unless you have a resume with this information.

NOTE: Salary information is not usually listed on resumes so if you do have a resume you may want to keep salary information on a separate copy for your records.

- Achievements and Memberships

Record anything noteworthy. This information is especially helpful when applying for college.

Maintenance: Update as needed.

HOUSEHOLD INVENTORY FORM

Complete the Household Inventory form with information on your major appliances, furniture, electronics, and anything else of major monetary value. Make an additional copy of your completed form. Store one copy at home, and one away from home.

Maintenance: Update as needed.

OPTIONAL SYSTEM ENHANCEMENTS (continued)

TAX RECORDKEEPING FORMS

If you prefer to work on your tax recordkeeping a little at a time throughout the year, use the “Taxable Income” and “Tax Deductions and Credits” forms. For each file in your filing system that contains taxable income, tax deductions, or tax credit information, label the appropriate form to correspond with the title of the folder. Place the form at the front of the folder. When filing tax-related papers, record any tax information on the form. All tax-related papers within that folder should be binder-clipped to the forms. At tax time, you can simply pull the forms, with papers attached, from the folder. Tax time will be a breeze!

Maintenance: Update as needed.

SAVINGS AND INVESTMENT RECORD

For a detailed record of your savings and investments, complete the “Savings and Investment Record” form. See page 132 for instructions.

Maintenance: Update as needed.

SAFE DEPOSIT BOX

A safe deposit box, which can be rented at most banks and credit unions, can offer secure storage for important documents as well as valuables and family heirlooms. However, wills and any other documents that could be needed in an emergency should not be stored in a safe deposit box.