

organize today!

Ideas and tips to help you live
an organized, simpler life at work and home

Organize Your Files

You'd think that with the advent of computers and e-mail, we'd be using a lot less paper. But, in reality, paper use is rising exponentially each year!

What's a person to do? Learning how to effectively handle your papers is key. If you're overwhelmed by paper, then this issue of *Organize Today* — devoted to file management — is for you! While not the most glamorous of topics, it is an essential skill to learn to keep your home and office running smoothly.

Keep reading to learn how to set up the perfect filing system for you, as well as how to maintain it. Do it yourself, or contact your professional organizer for help!

Make time for paper



Paper management isn't difficult. (Really!) The hard part is finding and dedicating time to just do it. Whether your paper piles are at the office (invoices, client information,

memos, research) or at home (bills, receipts, magazines, family documents), setting regular and consistent times to sort through papers is key.

Once you set up your filing system (see page 2), ten to 30 minutes of daily paper management is all you'll need. Depending upon your personality, decide when to schedule it:

- First thing in the morning: It's a nice start to the day and helps you prioritize today's tasks.
- At the end of the day: This gives you closure at the end of the day and lets you jump right into action the next day.
- Immediately as papers enter your home or office: This is good for those who just want to get it done ASAP.

If you set aside this little bit of time each day, you'll never wind up with huge paper mountains to tackle. However, you'll still need to schedule a "mega-manage" once or twice a year. This is the time to peruse your current filing system, tossing old documents and entire files you'll never need. For example, at home, you might want to toss outdated appliance and software manuals, old receipts, and catalogs and magazines more than one year old. At work, you'll want to consider tossing multiple versions of reports (just save the final copy), old research materials, unimportant memos, and projects that never materialized. This purge will provide breathing room in your filing cabinet and make it easier to retrieve and insert new papers.

Set up the perfect filing system for you



No two people are alike. Nor will two filing systems be alike. A filing system at your office will be different from one for your home. A system for a couple of empty nesters will be different from one for a family of six. Create your own unique system with the following process.

1

SORT IT OUT: You'll first need to evaluate how much paper you have, so you can determine what type of file storage you need. To do this, weed through your current files, tossing as much as you can. (Keep in mind that 80% of papers filed are never referenced again.) See the guidelines for records retention on the next page regarding financial documents, however. You'll want to be careful with those.

If this is your first attempt at creating a filing system (stacks on the floor don't count!), gather all the papers from your home or office into a neat pile. Pick up the top piece. Ask yourself, "What is this? Do I need to keep it? Do I need to take action on this? Or do I just need to file it in case I need to retrieve it later?"

As you encounter papers that need to elicit an action (e.g. class to sign up for, RSVP to send, project to do), put them in a folder labeled "TO DO." As you encounter papers that simply need to be read and then disposed of (such as magazine articles or newsletters), put them in a folder labeled "TO READ."

Be ruthless as you go along. Ask yourself, "Could I find this information again if I really needed it?" If yes, out it goes! Once you're done, sort the remainder into broad categories. For example, some categories for home might include medical, pets, taxes, hobbies, outdoor activities, utility bills, car, home improvement, credit cards, insurance, 401k, education, and projects. For office, some categories might include sales, current clients, vendors, forms, and financial data. Your system will be unique to your household or line of work. Use titles that make sense to you and will be easy to remember later when it's time to retrieve the documents. Write the broad category names on hanging file folders. Within them, you'll put regular file folders as subcategories. For example, in the hanging file folder labeled "utility bills," you might have folders for phone, gas/electric, water/sewer, and garbage collection.

PURCHASE FILE STORAGE: Now that you're done sorting and purging, take a look at what's left. This will tell you what type and size of file storage you need. Filing cabinets work great for most people and come in a variety of sizes. Get a little more room than you think you'll need. If you don't have a lot of files, you might purchase a simple desk-top file box. Or, you might consider a combination of both a file cabinet and a desktop box. Additional types of storage might include 3-ring binders filled with clear sleeves (great for storing manuals, warranties, and receipts for major purchases) and accordion files (an easy way to file receipts by credit card, month, or type of purchase).

2

3

DETERMINE LOCATION: Locate the filing storage in a convenient, easy-to-reach spot. In your office, put it within arm's reach from your desk if you need to retrieve things frequently. At home, just about any room will do, as long as you can access it easily. For some, a smaller cabinet in the kitchen works great. Think function here, not just form! Many people hide their filing cabinets in an out-of-the-way spot. However, filing then gets forgotten because it's so inconvenient to get there. Another option is keeping your active, everyday files in a small desktop file box or accordion file in the kitchen, while storing your infrequently used, archival files in an out-of-the-way place like the basement or off site.

MAINTAIN IT: From here on out, manage paper daily. Make time to file everything in your filing cabinet or box during your scheduled paper management time. You'll never drown in paper again!

4

Keep or toss?

Guidelines for retaining home records make decision-making quick and stress-free

Is your basement filled with boxes of cancelled checks? Are old tax returns spilling out of your filing cabinet? If you're unsure what to keep or toss, the following records retention guidelines (provided by the Minnesota CPA society; visit www.mncpa.org for more information or contact your local CPA society) will help you feel confident about which personal records to keep and which to toss. Please note that opinions vary regarding disposal of documents. When in doubt, contact your accountant, attorney, or financial planner for advice. Just be sure to shred sensitive documents, as many include private information like your social security number.

ATM receipts	until your monthly statement arrives
Bank statements	1 year
Bank deposit slips	3 years
Cancelled checks (most)	1 year
Credit card receipts	until your monthly statement arrives
Credit card statements	1 year
Deeds, mortgages, bills of sale	6 years past agreement
Insurance records, reports, claims	for the life of the policy
Pay stubs	until verified on your W-2 statement
Tax returns and supporting documents	6-10 years
Utility bills	1 year unless tax-related (then 6 years)

A word on paperless files

For some people, technology is a headache. For others, it's a lifesaver. If you prefer computers to paper, then "going paperless" might be the route for you.

To set up a great system, you can use a process similar to the one on page 2, "filing" documents first into broad categories and then into more specific subcategories. You'll just be sorting electronic files into electronic folders rather than paper. As with paper, you'll want to either toss it (delete), file it (into the appropriate file folder), or act on it (create a TO DO or CURRENT PROJECTS file) as soon as possible. You can scan most hard copy documents and file them under the correct subject heading. Just be sure to create a back-up regularly, and store it safely off site.

Quick paper tips

- **Make a quick decision:** For every piece of paper that you touch, make an immediate decision to either toss it, file it, or act on it.

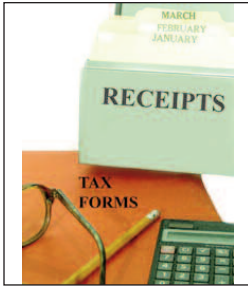
- **Get your mail under control:** Sort mail as soon as it enters your home. Toss out junk mail. Put the remainder into "TO READ," "TO DO," and "BILLSTO PAY" folders. Create a "TO FILE" folder for anything else, and set aside time each day or week to file appropriately. Keep these folders in an easily-accessible spot, such as the kitchen or on your desktop.



- **Easy on the eyes:** Use "straight tab" filing so the tab position for all folders lines up one behind the other. It is much easier on the eyes than staggering the tabs left, middle, and right.

- **Label clearly:** Use a dark marker or a label maker or computer labeling system such as Smead Viewables.™

- **Add some color:** If color helps jog your memory, then try color coding your files. Differentiate the broad categories in your filing storage, but don't make it too complicated. For example, financial information could be green (the color of money) and medical information could be red (think Red Cross). Use no more than four to six colors or you'll just confuse yourself.



Getting tax-time papers under control

Make it a goal to make next year's tax time a breeze by getting organized NOW! Use these tips to set up a simple and effective filing system. You'll be able to slip in important papers throughout the year and tackle next year's taxes with ease.

- **Create categories:** Use standard file folders or large 9x12 envelopes to create categories. You'll need several for deductions; depending upon your circumstances, they might include charitable donations, medical expenses, child care credits, education expenses, mortgage interest, etc. You'll also need a folder for income-related papers, such as pay stubs. Create another folder for investments, so you can track taxable interest you've earned on savings accounts or investments. Also, create a general tax file to store W-2 or 1099 forms. If you have a home-based business, consult your tax advisor for additional documents to save.
- **Store them:** Either place the folders all together in a section of your filing cabinet using hanging file folders, or purchase a plastic file box or expandable wallet to hold all the folders. Keep it conveniently located in your home.
- **Collect the papers:** Throughout the year, add receipts and documents to the appropriate file folders as soon as you can.
- **You're set:** When tax time rolls around, pull out all the folders and use them as you prepare your tax documents. Or, take the whole shebang to your accountant's office. She will be impressed!
- **Plan ahead:** Create new files with the same category names so you're ready to start collecting the next year's tax papers.



SIMPLY ORGANIZED

Post Office Box 572
Forest Knolls, CA 94933

Phone: 415.488.9382
simplyorganized4you@comcast.net
www.simplyorganized4you.com

Member, National Association of Professional Organizers

Cheryl Spater
Organizing Specialist

*Creating control
in the home and office*