

Focus on Getting Organized

EXPERT
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Setting Goals

If you ask successful people how they did it, they will tell you they had specific goals. Let's start at the beginning and learn how to set goals.

First, decide what is financially important to you. Next, break your goals into three time frames: short-term, intermediate, and long-term. Let's look at each.

Short-term goals consist of what you would like to accomplish within a 12-month period. Some examples are:

- Pay off a credit card.
- Buy a new television.
- Change jobs.
- Start a college savings plan.
- Make a down payment on a car.

Intermediate goals are those you hope to achieve within the next one to five years. For example:

- Build retirement assets.
- Start a home remodeling project.
- Become completely debt-free.
- Enjoy a family vacation.

Long-term goals are those that you will work toward for at least five years. For example:

- Be able to retire.
- Start a small or home-based business.
- Make a down payment on a house.

These are examples. Your particular goals depend on your own hopes and dreams.

Most of us want a better future, but few of us write down the specific goals we must meet to achieve it. The first step in setting goals is to think about what is important to you and your family. Your goals will be based on your values. The more specific you are when you write your goals, the easier it will be to know when you attain them.

Stop for a minute and look at Worksheet 2, *What Are Your Goals?* at the back of this chapter. Think about your financial goals. Between now and the next workshop, write down your goals and the estimated cost of each one. When will you need the money (next month, next year, 10 years from now)? How much must you save on a regular basis in order to have the amount by the date you need it? The difference between a wish and a goal is whether or not you follow these steps. Once you know how much and when, you need to work a monthly figure into your spending plan.

Keep the list you create where you can see it often. You usually can't work on all goals at once, so you have to set priorities. Keep in mind that goals are not final and unchanging. Updating goals is important. As you go through this series of workshops, your goals may change. It also may be necessary to change your goals as your circumstances change.



Getting Organized

Now that you've established some goals, it is time to begin making them happen. The first step is to organize your records. The purpose of good money management is to make sure your money serves your goals. You can't do this without good records.

Organizing your records is time consuming, but very valuable in the end. You will explore every facet of your finances and use statements to organize the information. These efforts will provide a total picture of your finances and thus enable you to chart your financial future.

Although the record-organizing step is time consuming, it is not difficult if taken one small task at a time. It requires no prior expertise — just patience and persistence.

If you had to, could you put your hands on all your receipts and paid bills for the past six months? Do you know where your insurance policies are and what they cover? Do you have a list of people who are your important financial contacts, such as tax advisers, attorneys, brokers, bankers, and human resources officer at work? Who, besides you, knows where to turn for necessary information about your family's assets and obligations? If you became incapacitated, how easy would it be for other members of your family to figure out your filing system?

Good records:

- Help you keep a closer watch on where your money is going each month and make it easier to reach your financial goals.
- Are needed at specific life changes.
- Provide vital information at time of crisis.
- Can save you money at tax time.

Three rules are essential for a good money management system:

1. One person needs to take the lead.
2. Have a regular filing schedule (once a week, twice a month, monthly, etc).
3. Work on your records in one place (office desk, kitchen table, etc).

What Records to Keep

What to keep is as important a consideration as where to keep it. Any record that provides information about someone in the family is worth keeping.

Where to Keep the Records

Three main places should be considered when organizing financial records:

1. At home.
2. In a safe deposit box.
3. With other people.

At Home

Current file: Current financial records should be kept at home in the location that best meets the needs of your household. Current records include bills, bank statements, receipts, and information needed to prepare your tax return. One of the most important pieces of information to keep handy is a summary record or master list. It describes the location of all your family's important papers, the phone numbers and addresses of professionals you consult on a regular basis, and the numbers on insurance policies, bank accounts, and security certificates owned by members of the household. You will create a summary record for your financial notebook on Worksheet 3, *Your Summary Record*, located at the back of this chapter.

Permanent file: Your permanent file is for records you might need at some time in the future but don't use on a regular basis. Examples include medical papers, home improvement receipts, and names and addresses of previous employers.

Safe Deposit Box

Safe deposit boxes can be rented from banks, credit unions, and savings and loans. Use them to store items that would be difficult or impossible to replace, such as birth certificates, passports, and marriage/divorce/adoption papers.

Other People

Some of your records may be best kept with others. Your lawyer should have a copy of your will, and you should keep another copy with your current financial records. Depending on your situation, you may want to give the executor of your estate a sealed copy of your will. If you are traveling abroad, you might want to leave a photocopy of your passport with a trusted friend or relative, in a secure location, in case yours is lost or stolen. Some people choose to keep their stock, bond, or security certificates, in electronic form, with their broker.

If you have a living will or letter of last instruction, they need to be left with the family member most likely to have to make decisions should you become seriously ill. When you give a friend or family member a sealed copy of your summary record, you are assured that in the event of a death or crisis involving you or others in your family there will be someone with access to information which may be necessary at that time.

Complete Worksheet 4, *Where Do You Keep Your Records and Papers?* located at the back of this chapter, and then compare your answers with the recommendations on Worksheet 4A, *Where You Should Keep Your Records and Papers*.

Household Inventory

If all your possessions were destroyed in a fire or flood, or your home was burglarized, could you list everything in your house?

A household inventory consists of a list of items in each room of your home along with their approximate value. Ideally, receipts for major durable goods should be placed in the inventory file at the end of each year to show actual costs. A spiral-bound notebook could be used to list your inventory. If you have Internet access, a comprehensive fill-in-the-blank Household and Personal Property Inventory Book is available from the University of Illinois Cooperative Extension Service at http://www.ag.uiuc.edu/~vista/pdf_pubs/houseinv.pdf. You could also use a database or computer spreadsheet program to list your possessions. This is easy to update or change. Computer software programs are available specifically for household inventories.

Keep your inventory in a safe place. A copy of the inventory and photographs, slides, or videotapes should be kept in a safe deposit box, with a second copy in your home files. This will make it easier to update the inventory once a year and add new items at the time they are purchased.



Summary

Organizing your important papers can be done at any level, from a shoebox under the bed to an office filing cabinet in a special room in your house. It takes management and effort to organize and maintain financial records in a system that is useful to you and your household.

Record keeping is not difficult, but it does require regular effort. The potential rewards from a good system are better-managed finances and the knowledge you've made life easier for anyone who would have to take over for you in an emergency.

Adapted from *Take Charge of Your Money* by Barbara R. Rowe, Utah State University Extension Service, 2001.



Getting Organized Action Box

- Begin to assemble financial notebook.
- Set goals.
- Obtain a safe deposit box.
- Begin to develop a household inventory.

Worksheet 2: What Are Your Goals?

Today's Date _____

Short-Term (0-12 months)

Objective	Estimated Cost	Target Date	Monthly Amount to Save	Date Accomplished

Intermediate Term (1-5 years)

Objective	Estimated Cost	Target Date	Monthly Amount to Save	Date Accomplished

Long-Term (5 or more years)

Objective	Estimated Cost	Target Date	Monthly Amount to Save	Date Accomplished

Worksheet 3: Your Summary Record

Today's Date _____

Your Name _____

Address _____

Date of Birth _____

Social Security Number _____

Family Record

Name	Relationship	Date of Birth	Address	Where Birth Recorded	Social Security Number

(Continued)

(Worksheet 3 continued)

Financial Advisers

	Name	Address	Phone Number
Lawyer			
Banker			
Executor/Executrix of Wills			
Retirement Plan Administrator			
Stockbroker			
Human Resources Officer			
Accountant			
Insurance Agent — life			
Insurance Agent — auto			
Insurance Agent- home			
Insurance Agent- health			
Other Advisers			

Wills

Date of Latest Will	Location	Executor	Attorney Address and Phone

(Continued)

(Worksheet 3 continued)

Accounts at Financial Institutions

Type of Account	Name and Address of Institution	Account Number	In Whose Name(s)
Checking accounts:			
Savings accounts:			
Certificates of Deposit:			
Other:			

Safe Deposit Box(es)

Location of Box	Box Number	In Whose Name(s)

Real Estate Records (Include Cemetery Plot)

Description	Location	Date of Purchase	Price	In Whose Name(s)	Where Deed Recorded

(Continued)

(Worksheet 3 continued)

Retirement/Pensions/Individual Retirement Accounts (IRAs)

Employer/ Type Plan	Company	Address	Phone Number	Account Number	Where Records Kept

Trusts

Trust and Location	Trustee Name and Address	Beneficiary

Mutual Funds

Name of Company	Number of Shares	Purchase Price	Date of Purchase	In Whose Name(s)

Individual Stocks/Bonds

Name of Company	Number of Shares	Purchase Price	Date of Purchase	In Whose Name(s)

(Continued)

(Worksheet 3 continued)

Other Investments

Name of Company	Number of Shares	Serial Number Certificates	Purchase Price	Date of Purchase	In Whose Name(s)

Money Owed by the Family

Type of Debt	Owed To	Total Owed	Monthly Payment	Where Records Kept

Credit Cards

Name of Company	Account Number	Address & Phone Number

(Continued)

(Worksheet 3 continued)

Loans and Debts Outstanding (including mortgages)

Type of Debt	Owed To	Total Owed	Monthly Payment	Where Records Kept
Mortgage				
Automobile				
Automobile				
Automobile				
Home Equity				
Personal Loan				
Furniture				
Appliances				
Other				
Other				
Other				

Adapted from *Take Charge of Your Money* by Barbara R Rowe, Utah State University Extension Service, 2001

Insurance Summary

Life Insurance

Name of Company	Policy Number	Face Amount	Beneficiaries	Premium Due Date	Name and Address of Agent

(Continued)

(Worksheet 3 continued)

Automobile Insurance

Name of Company	Policy Number	Amount	Deductibles	Premium Due Date	Name and Address of Agent

Homeowner's/Renter's Insurance

Name of Company	Policy Number	Amount	Deductibles	Premium Due Date	Name and Address of Agent

Health Insurance

Name of Company	Policy Number	Date of Issue	Premium Due Date	Name and Address of Agent

(Continued)

(Worksheet 3 continued)

Disability Insurance

Name of Company	Policy Number	Weekly Benefit	Premium Due Date	Name and Address of Agent

Other Insurance Policies

Kind	Name of Company	Policy Number	Type and Amount of Coverage	Name and Address of Agent

Adapted from *Take Charge of Your Money* by Barbara R. Rowe, Utah State University Extension Service, 2001.

Worksheet 4: Where Do You Keep Your Records and Papers?

Item	Safe Deposit Box	Current File (Home)	Permanent File (Home)	Purse or Billfold	With Others
Account books					
Adoption papers					
Auto license receipt					
Auto title and bill of sale					
Bank statements					
Baptism, confirmation certificates					
Birth certificates					
Canceled checks (for current year)					
Canceled checks (for previous years)					
Citizenship papers					
Contracts – installment (for six years after paid)					
Copyrights and patents					
Credit card information					
Death certificate					
Driver's license and insurance card					
Employment record					
Government savings bonds					
Guarantees, warranties, instruction books					
Health record					
Household inventory					
Income/expense statement					
Identification – name, address, whom to notify, special health information, doctor and hospital preferred					
Insurance policies					
Letter of last instruction					
Letter regarding government insurance awarding compensation for service-incurred disability					
Living will					
Marriage, divorce, and custody papers					
Military discharge papers and records					
Installment notes					
Organization memberships					
Passport					
Real estate papers Abstracts Deeds and mortgages Periodic receipts					
Receipts and receipted bills (important ones should be kept for six years)					
Savings/spending plan					
Social Security card					
Stock certificates, other investments					
Summary record					
Tax returns					
Wills, gift records, trusts					

Adapted from *Household Records: What to Keep and Where* by E.M. Maddux, University of Georgia Cooperative Extension Service, 1996.

Worksheet 4a: Where You Should Keep Your Records and Papers

Item	Safe Deposit Box	Current File (Home)	Permanent File (Home)	Purse or Billfold	With Others
Account books		√	√		
Adoption papers	√				
Auto license receipt *				√	
Auto title and bill of sale *	√				
Bank statements		√	√		
Baptism, confirmation certificates	√				
Birth certificates	√				
Canceled checks (for current year)		√			
Canceled checks (for previous years)			√		
Citizenship papers	√				
Contracts – installment (for six years after paid)	√				
Copyrights and patents	√				
Credit card information		√			
Death certificate	√				
Driver's license and insurance card *				√	
Employment record			√		
Government savings bonds	√				
Guarantees, warranties, instruction books		√	√		
Health record			√		
Household inventory	√	√			
Income/expense statement		√			
Identification – name, address, whom to notify, special health information, doctor and hospital preferred				√	
Insurance policies	√		√		
Letter of last instruction	√				√
Letter regarding government insurance awarding compensation for service incurred disability	√				
Living will	√				√
Marriage, divorce, and custody papers	√				
Military discharge papers and records	√				
Installment notes	√				
Organization memberships				√	
Passport	√				√
Real estate papers					
Abstracts	√				
Deeds and mortgages	√				
Periodic receipts		√	√		
Receipts and receipted bills (important ones should be kept for six years)		√	√		
Savings/spending plan		√			
Social Security card	√				
Stock certificates, other investments	√				
Summary record	√				√
Tax returns			√		
Wills, gift records, trusts	√				√
* some states may require these documents to be kept in the vehicle					

Adapted from *Household Records: What to Keep and Where* by E.M. Maddux, University of Georgia Cooperative Extension Service, 1996.



Resources

Unit 1: Focus on Getting Organized

1) *Do the Math*

Women's Financial Network

<http://www.wfn.com>

2) Federal Trade Commission

Consumer Response Center – FCRA

600 Pennsylvania Avenue, NW

Washington, DC 20580

877-FTC-HELP

<http://www.ftc.gov>

3) *File It, Find It: Home Filing System*, HM667, 1997

Clemson University Cooperative Extension Service

Clemson, SC 29634

864-656-3382

<http://www.clemson.edu/psapublishing/PAGES/FYD/HM667.PDF>

4) *Keeping Your Important Papers*, HE-465

Purdue University Cooperative Extension Service

West Lafayette, IN 47907

888-EXT-INFO

5) Maddux, EM

Household Records: What to Keep and Where, circular 759-7, 1996

University of Georgia Cooperative Extension Service

Athens, GA 30602

(706) 542-8999

6) *Money Management*

Purdue Employees Federal Credit Union

West Lafayette, IN 47907

<http://members.cunamutual.com/MoneyManagement>

7) Rowe, Barbara

Take Charge of Your Money, 2001

Utah State University Extension Service

Logan, UT 84323

(435) 797-1000

<http://extension.usu.edu/cooperative/publications/>

8) Tyson, Eric

Personal Finance for Dummies, 1975

IDG Books Worldwide

Foster City, CA 94404

800-762-2974



Materials available in the *Focus on Financial Management* series

Focus on Financial Management Workbook, CFS-727 (\$25)

This printed workbook contains eight chapters designed to help middle-income adults increase their financial management knowledge. It is designed either for self-directed study or for participants who enroll in a *Focus on Financial Management* program. The workbook contains 24 worksheets to help participants conduct self-assessments and compile appropriate records.

Focus on Financial Management Coordinator's Guide, CFS-726 (\$75)

This package contains the Coordinator's Guide and Workbook in print and on a CD so that a coordinator can present the eight 2½-hour sessions. The program coordinator is expected to organize and present the sessions and provide materials to the participants. The CD is available separately (CD-CFS-726) for \$50.

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The following individual chapters of the workbook are available free online.

- CFS-727-1-W, Unit 1: Focus on Getting Organized
www.extension.purdue.edu/extmedia/CFS/CFS-727-1-W.pdf
- CFS-727-2-W, Unit 2: Focus on Money Personalities
www.extension.purdue.edu/extmedia/CFS/CFS-727-2-W.pdf
- CFS-727-3-W, Unit 3: Focus on Your Net Worth
www.extension.purdue.edu/extmedia/CFS/CFS-727-3-W.pdf
- CFS-727-4-W, Unit 4: Focus on Risk Management
www.extension.purdue.edu/extmedia/CFS/CFS-727-4-W.pdf
- CFS-727-5-W, Unit 5: Focus on Savings and Investments
www.extension.purdue.edu/extmedia/CFS/CFS-727-5-W.pdf
- CFS-727-6-W, Unit 6: Focus on Credit Cards
www.extension.purdue.edu/extmedia/CFS/CFS-727-6-W.pdf
- CFS-727-7-W, Unit 7: Focus on Life's Challenges
www.extension.purdue.edu/extmedia/CFS/CFS-727-7-W.pdf
- CFS-727-8-W, Unit 8: Focus on Retirement
www.extension.purdue.edu/extmedia/CFS/CFS-727-8-W.pdf

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