

# What Records Should You Keep?

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## Guide G-228

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*All papers that you save will never be needed until such time as they are disposed of, when they become essential.*  
— John Corcoran

There are few hard and fast rules on what records to dispose of or to keep. Circumstances occur that we cannot anticipate and they may require records. Newlyweds probably cannot imagine they may be involved in a contested divorce action, in which they must prove which property is separate and which is community. We never expect to be involved in a lawsuit or a fight over the inheritance of property.

In trying to decide what to keep and what to discard, think in terms of which items might be needed in the future for proof of value, payment, cost or ownership. This information may be needed for insurance claims, estate settlements, divorce actions, child support, tax assessments, capital gains or losses on investments or your home, and tax audits.

Separate the short-term and long-term items you need to keep. You may want to keep utility bills for a year to monitor your energy consumption, but you probably don't need them for 5 or 6 years.

Some receipts (such as grocery receipts, small cash items) can be thrown away as soon as you record them in your monthly expense ledger. Others, like credit card receipts, should be kept until you can verify the charge. This is important for credit-card billing systems that do not send the duplicate sales slips with the monthly statement. Some receipts should be kept in a permanent file; for example, those for expensive items such as furniture. You may need them to establish loss in an insurance claim.

Records relating to permanent improvements to your home should be kept. These will be needed (to determine the amount of capital gain or loss) for tax purposes, when the home is sold. This also applies to other property you own.

Keep records necessary for documentation of your income tax. The Internal Revenue Service can audit a return and assess additional tax up to 3 years after the date of the tax return. If a taxpayer understates in-

come for any one audited year by 25% or more, the IRS can audit and assess additional tax up to 6 years. If a taxpayer fails to file a return or files it fraudulently, he is subject to question at any time, even many years later.

Records of investments are needed for tax purposes, in calculating capital gains or losses. Keep records of the date and purchase price of stocks, bonds, mutual funds, and other investments. If you receive additional shares of stock as a stock dividend, or authorize a company to reinvest cash dividends in additional stock, record the dates and cost or value of the additional shares.

Check with your accountant or attorney concerning records you need to establish for estate tax purposes.

One copy of your will should be kept at home. Keep another copy in your safe deposit box. The original is usually kept at your attorney's office.

Documents such as marriage licenses, birth certificates, military discharge papers should be kept permanently. If you lose these or other records and need a copy, they can be replaced.

**Birth and death records.** For every birth and death, an official certificate should be on file in the state where the event occurred. In New Mexico, copies of these can be obtained from:

Vital Records  
1190 St. Frances Drive  
Santa Fe, N.M. 87503  
Telephone 827-2338

For assistance in Spanish, call 827-2341. When writing for birth records, include the full name, date and place of birth, father's name, and mother's maiden name. If it is a recent birth, include the name of the hospital where the child was born. State your

relationship and sign your name. Certificates are issued only to immediate family members or persons with a tangible legal interest. Send a check or money order payable to New Mexico Vital Records. Birth certificates cost \$10.

For death certificates, include full name, place, and date of death or last date you know the person was alive. Death certificates cost \$5.

A directory of Vital Records offices in other states, "Where to Write for Vital Records," is available from:

Superintendent of Documents  
Government Printing Office  
Washington, D.C. 20402

The directory lists addresses in each state for birth, death, marriage, and divorce records. Make the check (\$1.75) payable to Superintendent of Documents, and specify GPO stock number 017-022-01109-3.

**Marriage licenses.** Copies of a marriage license can be obtained from the County Clerk of the county where the license was obtained.

**Military discharge papers.** Copies can be obtained from the County Clerk in the county where the discharge was recorded. It is up to the individual to have them recorded, upon discharge.

**Divorce papers.** Copies can be obtained from the District Court Clerk in the county where the divorce was recorded.

**Naturalization papers.** Copies must be obtained from the U.S. Immigration Office, but the District Court Clerk where the naturalization occurred can provide the information needed for application for duplicates.

**Real estate documents.** Copies of real estate contracts, mortgages, deeds, and release of mortgages can be obtained from the County Clerk where the documents were recorded.

**U.S. Savings Bonds.** If bonds are lost, stolen, damaged or destroyed, notify the Bureau of Public Debt, Department of the Treasury, Parkersburg, West Virginia, 26106-1328. When possible, include serial numbers (with prefix and suffix letters), issue dates (month and year), and names and addresses on bonds. Owners should keep records of these details in a place separate from the bonds.

**Other.** Some items must be replaced by the company or agency that issued them, such as social security cards, insurance policies, stocks, bonds, and savings certificates.

To make replacement easier, keep records of the serial numbers, name and address of the company or agency, and date of purchase or issue. Records can be kept in a ledger book, loose-leaf notebook, or your files.