



## Don't Be Over-Taxed with Organizing Tax Related Files

The IRS expects 212,471,200 returns to be filed for tax year 2003. In addition to the returns, there will be approximately 18,089,000 supplemental documents filed. If you are lucky, you only have to worry about one of them. And that's more than enough for most people.

Nearly 25% of the individual returns are expected to be filed electronically, but no matter how you file your income tax this April 15, there will be a lot of paper involved.

Organizing your tax information can be one of the best ways to reduce stress and increase the accuracy of the information that you need to file. This may save you time and money by ensuring the proper documentation for all of the exemptions you may be entitled to.

**Organize early.** OK, maybe it's too late for that. But taking the time now to plan ahead can have big payoffs next year. As you sort through last year's receipts, statements, and pay stubs, take the time to create places to store them as they accumulate over the coming year.

One strategy for doing this is to create a file for each section of your return. If you regularly donate items to charitable organizations, for instance, create one file labeled "Donations" to accumulate the signed donation receipts. This would also be a handy place to file the list of item values many organizations publish as guidelines. Other files might be "Non-reimbursed business expenses" or "Project Invoices" for major home improvements. If you are really organized but don't use computer software for your personal finances, consider keeping an index or log sheet inside the folder or on your computer to serve as a master list. This is especially helpful for cash items and expenses with faded or missing receipts.

UniKeep View Case Binders and accessories offer a flexible system for organizing your tax files. Throughout the year, the fully enclosed and stackable binders provide easy storage that takes little space on shelves or in drawers, but holds a lot of information. You can easily label the binders yourself or with templates available at [www.unikeep.com](http://www.unikeep.com). Tabbed pockets and easily indexed dividers let you add files throughout the year, as needed. Even small receipts and discs are easily contained.

**Know what to save and for how long.** Not everything must be kept indefinitely. Once you reconcile your credit card statements each month, you can generally discard the individual receipts.

Previous years' tax returns, on the other hand, should be kept up to seven years.

**Computerize.** If you aren't already, consider "computerizing" your personal finances and tax preparation. Most homes now have at least one computer and there are several popular and versatile software packages that are easy to use regardless of PC skill level. In addition, the IRS offers nearly all forms as PDF forms that can be filled out on your computer using only Adobe Acrobat Reader which



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ships with most computers and is available for free download at [www.adobe.com](http://www.adobe.com).

Even if you continue to have your taxes prepared by a professional, the software will save time and money by helping you to pre-organize your finances. The forms and accompanying documentation can then be archived electronically. Keep a second print out of your return for easy reference along with a disc containing the entire tax file and any supporting documentation, including a backup from your financial software, in a slim, 0.5 UniKeep binder labeled by tax year. Scanned receipts can also be kept on the disc to reduce paper storage. This allows you to archive everything related to this year's return in a small amount of file space without sacrificing accessibility.

Again, NOW is the time to consider making a change for the coming year. The IRS requirements will be more familiar, but you will have all year to perfect your system and computer skills without the pressure of pending deadlines.

Things to consider when setting up your files:

- ❑ Set up a few standard files that make it easy to be organized all year long
- ❑ Designate a place to collect tax-related documents throughout the year. This is especially important if several family member make purchases or receive statements that will need to be referenced. Make sure everyone knows the proper place to store this information.
- ❑ Don't keep everything forever. Set up a schedule of when to pitch and keep a print of it in your current tax file. After you lick the stamps on your returns or hit the send button, refer to the schedule, discarding as necessary. Move the rest to archive storage and move the schedule into the file you will set up for the coming year.

**Get help.** More than ever before, tax help is easy to get, easy to use and easy to understand. Tax software includes searchable and context-sensitive documentation, often from multiple sources. You can easily reference the IRS publication as well as popular reference sources that may help you interpret the regulations. In addition, most software publishers offer helpful web sites, email reminders and newsletters to help you stay informed regarding changes in tax law that may affect you.

And don't overlook the IRS as a helpful resource. They have gone to great lengths to create a user-friendly and non-threatening user interface on their web site. In addition to the most recent version of all IRS forms and publications, you will find the information organized in familiar sections to quickly answer most questions. Individuals can click through to the specific information they need while businesses can access the forms and tax calendars specific to each business type.

For more information:

**UniKeep LLC**

[www.unikeep.com](http://www.unikeep.com)

800/ 829.8117

Internal revenue service:

[www.irs.gov](http://www.irs.gov)

Tax and personal finance software:

[www.intuit.com](http://www.intuit.com)

Adobe Acrobat Reader

[www.adobe.com](http://www.adobe.com)