



OLD NORTH STATE TRUST, LLC

Spring Cleaning

It's the time of year when we normally turn to cleaning out closets, garages, etc. We have boxes, bags, and armfuls of items to donate or trash, but what do we do with those items that need to be cleaned out of our home offices? Here's a quick guide to financial spring cleaning.

1. Tax Returns

This is the question we are asked about most often- how long should you keep them? Seven years. That's how long the IRS has to audit you. Your chance of being audited is quite slim, unless you raise a red flag with excessive deductions, strange items, listing Fido as a dependent, etc. Estates, businesses, and the bigger fish are more likely targets.

2. Investment Account Statements

One year, unless there are gains/losses to support information claimed on your tax returns, then they should be kept with your tax information. Otherwise, we recommend keeping them for the shorter time-period to track activity. You should be able to track cost basis, performance, and any other needed information through separate reports from your advisor.

3. Investment Performance Statements

We recommend keeping these for the life of the investment. That way you can track how well the investments have performed, how the advisor has done, and you can keep the cost basis information, if it is not provided elsewhere.

4. Legal Documents

Documents such as birth and death certificates, marriage licenses and divorce agreements should be kept permanently. Estate planning documents such as Wills, Trusts and Powers of Attorney should be kept as long as they are in force. If they have been updated by a new version, then the original version should be destroyed to avoid confusion. In fact, an older version of a will could actually be probated and cause a great deal of harm.

5. Real Estate Documents

These documents should be kept at least for the time you own the property. We would also continue to hold for as long as needed for tax purposes.

6. Miscellaneous Documents

Other documents such as utility bills, etc. should only be held for as long as you would need the information. For example, to be able to obtain account numbers and prior billing information.

We recommend disposing of old information by shredding with a crosscut shredder to protect against identity theft. To learn more ways to prevent identity theft, visit our website www.oldnorthstatetrust.com to read our article, “*Defend Against Identity Theft with Common Sense and Skepticism*”, from July 2017.

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