

Must-Have Financial Documents to Have on Hand

Over the years, we've held clients' hands through a variety of life events – some happy, some sad...but quite often surprising.

It's impossible to plan for life's curve balls such as the diagnosis of a chronic condition. And despite the most meticulous tax preparation, IRS audits can still pop up.

That's why our advice is to "always expect the unexpected" and incorporate some best practices into your family's financial routine to stay ahead of the curve balls to the extent possible.

As a first step, make sure you have hard copies of the following in one secure, physical location:

Personal Identification

- Birth Certificate (or any documents related to your entrance into the U.S., such as Green Card and I-94)
- Passport
- Social Security Card
- Military Discharge Papers

Family

- Marriage Certificate
- Birth Certificates of Dependents (whether children or elders)
- Prenuptial Agreement
- Divorce Papers

Future

- Insurance Policies
- Powers of Attorney (General and Health Care)
- Will & Trust(s)



We recommend keeping originals in your safe deposit box.

In the unfortunate event of a home break-in, a safe could be stolen and all of your personal documents could fall into criminal hands.

Next, go down the list below and check off the following as you set aside the necessary documentation applicable to your unique situation.

Many of these items are more easily stored electronically than in hard copy. In the case of virtual document storage, set up a password-protected file on your computer. There are features in Microsoft Word and Adobe Acrobat to password protect specific documents which will help keep them safe. Scanning these important documents is crucial so that you have multiple copies in case of emergency.

Tax Forms

- Current statements for all investment or bank accounts, including your most recent End of Year statements
- 3 years (the IRS status of limitations) of state and federal tax returns, including supporting documentation
- All Form 709s filed + Forms 8971 or 706 issued, including supporting documentation
- Records demonstrating cost basis value for investments purchased before 2012
- All loan documents, until the loan is paid off, then keep documentation proving payoff
- Deeds, titles, settlement statements, or bills of sale for all currently-owned property
- Receipts for housing/home office-related expenses, if applicable

In case you didn't know:

- 709 forms are for reportable tax gifts so that the IRS can keep track in case you become eligible for estate taxes.
 - Forms 706 and 8971 (for beneficiaries acquiring property) are specific to estate taxes
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Retirement Documents

- Withdrawal request and 1099-R for your Coronavirus-Related Distribution, if applicable
- Documentation on contribution and withdrawals from retirement accounts
- Documentation of Roth conversions, if applicable
- Form 8606, if you made non-deductible traditional IRA contributions

Medical Records

- 5+ years of financial statements and records of transactions to support your application for Medicaid, if applicable
- All medical receipts from the date your Health Savings Account (HSA) was opened
- 3+ years of medical expenses you wrote off on tax returns
- 1+ year of Medicare Summary Notices
- Annual "Notice of Creditable Coverage," if provided by your employer drug plan

While this checklist is a good starting point for your financial records audit, additional documentation may be necessary for your unique situation. [*Your CornerCap Wealth Advisor*](#) is here to help sort through additional financial documentation needs that may impact your personal financial picture.