

Getting Your Financial Paperwork in Good Order

Help make things easier for your loved ones when you leave this world.

Don Akridge, MBA, CFP®, CPA/PFS
U.S. Marine Corps Veteran – Emory University Alumnus

Who wants to leave this world with their financial affairs in good order? We all do, right? None of us wants to leave a collection of financial mysteries for our spouse or our children to solve.

What we want and what we do can differ, however. Many heirs spend days, weeks, or months searching for a decedent's financial and legal documents. They may even discover a savings bond, a certificate of deposit, or a life insurance policy years after their loved one passes.

Certainly, you want to spare your heirs from this predicament. One helpful step is to create a "final file." Maybe it is an actual accordion or manila folder; maybe it is a file on a computer desktop; or maybe it is secured within an online vault. The form matters less than the function. The function this file will serve is to provide your heirs with the documentation and direction they need to help them settle your estate.

What should be in your "final file?" Definitely a copy of your will and copies of any trust documents. Place a durable power of attorney and a health care proxy in there too, as this folder's contents may need to be accessed *before* you die.

Copies of insurance policies should go into the "final file" – not only your life insurance policy, but home and auto coverage. A list of all the financial accounts in your name should be kept in the file – and, to be complete, why not include sample account statements with account numbers, or, at least, usernames and passwords, so that these accounts can be easily accessed online.

Social Security benefit information should also be compiled. That information will be essential for your spouse (and, perhaps, for a former spouse). If you happen to receive a pension from a former employer, your heirs need to know the particulars about that.

They should also be able to access documentation pertaining to real estate you own. If you have a safe deposit box, at least one of your heirs should know where the key is – otherwise, your heirs will have to pay a locksmith, directly or indirectly, to open it. Along those lines, the combination to a home safe should be disclosed. If you have trust issues with some of your heirs, you can only disclose such information to the trusted ones or to an attorney.

Contact information should be inside the "final file" as well. Your heirs will need to look up the email address or phone number of the financial professionals you have consulted, any attorneys you have turned to for estate planning or business advice, and any insurance professionals with whom you have maintained relationships.

Other documentation to include: credit card information, vehicle titles, and cemetery/burial information. Be sure to include your social media and e-commerce passwords for sites like Facebook, Twitter, LinkedIn, Pinterest, Amazon, and eBay. Some social media sites may require

a copy of your death certificate or obituary notice before allowing any other party to access your profile. Furthermore, you may also wish to leave a letter or note instructing your heirs on how the world should be notified of your death.¹

Your heirs will want to supplement your “final file” with contributions of their own.

Perhaps the most important supplement will be your death certificate. A funeral home may tell your heirs that they will need only a few copies. In reality, they may need several – or more – if your business or financial situation is particularly involved.

A “final file” may save both money & time. If documentation is scant or unavailable, settling an estate can be a prolonged affair. As National Academy of Elder Law Attorneys president Howard Krooks told Reuters, “It could be six months or longer if you don't have the paperwork in order.” In the worst-case scenario, probate consumes 5% or more of an estate.²

One other important step may save your heirs money & time. If you add the name of an heir to a key bank account, that heir can pay a hospital bill or make a mortgage payment on your behalf without undue delay.²

Be sure to tell your heirs about your “final file.” They need to know that you have created it; they need to know where it is. It will do no good if you are the only one who knows those things when you die.

You can compile your “final file” gradually. The next account statement, income payment, or real estate or insurance newsletter that comes into your inbox or mailbox can be your cue to tackle and scratch off that particular item from the “final file” to-do list. Yes, it takes work to create a “final file” – but you could argue that it is necessary work, and your heirs will thank you for your effort.

Securities offered through Registered Representatives of Cambridge Investment Research, Inc., a broker-dealer, member FINRA / SIPC. Advisory services through Cambridge Investment Research Advisors, Inc., a Registered Investment Adviser. Cambridge is not affiliated with and does not endorse the opinions or services of Peter Montoya, Inc. or MarketingPro, Inc. This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

Citations.

1 - marketwatch.com/story/13-steps-to-organizing-your-accounts-and-assets-2016-03-03 [3/3/16]

2 - reuters.com/article/us-retirement-death-folder-idUSKBN0FK1RW20140715 [7/15/14]