

# Practical Tips to Organize Your Paperwork



Why organize your paperwork? Organizing your paperwork clears piles of paper cluttering your space, helps you find information efficiently, keeps you on top of bills and to-dos, and avoids late fees, missed deadlines, and wasting time. Organize your paperwork to reduce stress, have a clear mind and focus on what matters.



Recycle



Action



File



Trash/Treasure



Shred

## RAFTS

The first step toward fully organized paperwork is to sort. When we clear someone's desk, we use the RAFTS system:

**R**ecycle: Any paperwork you no longer need that doesn't contain sensitive information can be recycled. This includes things like advertisements, takeout menus, old Post-It notes, or junk mail.

**A**ction: Action items are anything that needs your attention, like a bill to pay or a letter to reply to, or phone calls to return.

**F**ile: Paperwork that contains things you will need later should be filed. Statements, school records, and policy documents fit into this category. I recommend getting electronic copies first to skip the paper step.

**T**rash/Treasure: Go through your paperwork and decide what's worth keeping, and what's worth letting go. You can store Christmas cards from family in a keepsake box, but if you're holding on to something you can't remember receiving, consider recycling or trashing it to minimize clutter.

**S**hred: Anything with account numbers, social security numbers, or other non-public information that you no longer need should be shredded. You don't have to shred items with your name and address because that's public information.

Once everything has been sorted and filed, you'll be left with your action items, and much less paperwork!

# Action Items



## Reminders

Action items are a type of paperwork that needs attention, like reminders of appointments, or a bill that's coming due.

One common mistake people make when organizing their paperwork is keeping action items out to help them remember. **Put away the paper and keep the reminder.** Keeping an action item on your desk leads to clutter. Have a specific place for action items, so you know where to look for it when it is time to take that action.

Have a reminder system in place. You can set a reminder on your phone, write it in a paper planner, or use one of the action item systems below, and put the paper away.

Use the 2-minute rule - if it's going to take less than 2 minutes to do it, do it right away - it's not worth your time to file it, set the reminder, and find it again - just do it!

## Prioritize

I have four suggested methods for prioritizing paperwork in increasing complexity: an in/out tray, a 3-level priority system, Steven Covey's quadrant method, and tickler files. Use the one that suits you best and is going to be the easiest for you to maintain. Remember the point is not to organize the paperwork, the point is to take action on your paperwork.

1. **In/Out Tray:** An in/out tray is a very simple way to keep track of action items. When you have a task you need to complete, or a reminder of something due, it goes in the In tray. Once completed, move it to the Out tray. You can always look in your In tray to remind you of what you need to accomplish.
2. **3-Level Priority System:** There are many ways to do a 3-level priority system, according to what works for you. Create three folders and label them based on level of importance or urgency. Hot/Warm/Cold, Do Now/Do Soon/Do Someday, Today/This Week/Next Week, and Red/Yellow/Blue are just a few ways to label these folders. This kind of system breaks down action items into easy-to-understand categories, so you can see at a glance what needs your attention.

3. **Stephen Covey's Quadrant Method:** Stephen Covey, author of *The 7 Habits of Highly Effective People*, had a simple way of categorizing tasks based on urgency and importance, and this works with paperwork too. The infographic below shows how to use this system.



4. **Tickler Files:** Tickler files, which are file folders labeled with dates, are a great way to keep action item paperwork accessible and organized. Here are two ways to use them:

- **8 folders by week:** This system consists of one folder for each day of the week and one folder for the next week or later. As you go through the week, complete items in the appropriate folder. Once a week, review the items in the "next week" folder, and decide when to do them in the coming week.



- **43 folders by month:** This is a more detailed system consisting of 31 folders (one for each day of the month) plus 12 folders (one for each upcoming month). At the beginning of the month, review all items in the monthly folder and sort them depending on which day you want to do them. Complete items in daily folders daily to keep on top of your action items.

# Filing



Filing is crucial to paperwork organization because it allows you to find things quickly and easily. Here are some tips for creating a great filing system.

## Naming Conventions

Having a standardized terminology for your files keeps search time to a minimum, with both digital and physical files. For physical files, use consistent dates and names.

For digital files, include multiple search terms in your file name to allow for faster retrieval.

## Paper Files: 5-20 Items Rule of Thumb

Use cascading hierarchies when creating your paper files. For instance, you could keep all your insurances together in one hanging folder and have the paperwork for the individual policies in separate interior folders.

If you have fewer than five items in one category, that's a sign that you could condense it with another. More than twenty items should be split up into subcategories. For instance, say you have files relating to places you want to travel to. If you only want to go to New Zealand and visit Lord of the Rings locations, you only need one folder. If you want to go to every state in the US and have paperwork about each state you want to visit, then a folder for each state will be helpful.

This helps avoid overstuffed folders that are difficult to look through and avoids having unnecessary folders as well. Using labeling, color coding, or different locations for these categories makes them easy to see at a glance.



## Digital Files



Filing systems aren't just for physical folders! Digital files can use all the same principles to make your workflow easier. Here are some tips for working with digital files:

**Dates:** Use “yymmdd” dates at the beginning of file names to keep them in chronological order.

**Labels:** Use specific labels in file names if you have multiple types of files in one folder to cut down on search time. Use cascading hierarchies minimally on your computer. Extra clicks into folders waste time.

The 5-20 rule of thumb does not apply to digital files because the computer search function is so useful. You can keep all the paperwork for all your policies in one folder as long as they are named appropriately. A quick search for the type of policy you are looking for pops it right up.

**Automatic Filing:** Check out an automatic filing and naming tool like [www.filethis.com](http://www.filethis.com), which specializes in document management.

**OCR:** Scanners with Optical Character Recognition (OCR) can automatically name files based on their content.

## Scanners

Scanning paperwork eliminates a lot of clutter. Invest in a scanner with a smooth document feeder, as well as software that manages files after scanning, so you can add or delete pages, rotate, and so on.

Be sure to check out options for presets in your scanning software.

Presets let you decide in advance a job type's resolution, paper size, color mode, and so on, and save that set of options so you don't have to select them all each time you scan.



# Maintenance



Now that you've got your filing system set up and your action items in their proper places, it's time to maintain your system. Some tips on maintaining your filing system:

- If you have temporary files, file them by month and year, which allows for quick archiving.
- Purge your files regularly—I recommend at least annually.
- File at least weekly, more often if you are a paper-intensive home.

## Document Retention

How do you know what to hang on to, and what to shred? Different documents have different expiration dates.

- **Permanent:** These things should be kept forever, like your social security card.
- **Lifetime:** Keep this paperwork for the life of the item. Ownership documents like car titles and deeds belong in this category.
- **Temporary:** Keep this paperwork according to their document retention guidelines, like supporting tax documents, medical records, and receipts. Consult the IRS, DMV, your insurance company, your CPA, and lawyers for the most accurate information on document retention. You can use our guide as a starting point, but please consult your professionals to confirm the specifics for your situation.



Using these strategies will help keep your paperwork to a minimum, so you can find what you need when you need it!