



Remember when I promised we'd adhere to the No Filing Cabinet method?

Here is your first glimpse at how you go from a four drawer filing cabinet filled with out-of-date papers to a simple accordion folder, ready?

This is the solution for backup paperwork like receipts, financial statements, and paid bill stubs.

Stick with me, this might be a little different than you're used to but trust me it works! You may be used to filing by category, one file folder per category like phone bill, water bill, and so on.

Trouble is that system takes a lot of time to set up, you have to file one paper per file per month and at the end of the year the papers are out of date and you have to start all over again.

Most of these papers are just back up papers and since we rarely (if ever) need to reference the papers it makes more sense to have them in one place but not in a filing cabinet.

Here are the three steps to set up the accordion or expandable file folder:

Step 1: label each slot of the accordion file folder one slot per month of the year and write the year on the outside of the accordion file folder.

Step 2: fill the current month with the important papers like stubs from bills as you pay them, pay stubs, banking statements, receipts, explanation of



health care benefits and credit card statements.

Step 3: continue to fill the slots for the entire year, when you pay your taxes add a copy of your return to the thirteenth slot and file the whole thing away.

Did you know on average 98% of what is filed is never referenced again? That explains all the overcrowded filing cabinets!

Important! This accordion file system is NOT for your everyday papers. This is only for archival papers. In lessons eight and nine we covered life in a box which is the solution for the current, pending paperwork.

On average it is suggested we keep seven years' worth of backup paperwork, so you'll want seven files at any given time, the one of the current year and six years back. As you add the eighth remove the oldest one and shred the contents.

Types of papers for the file:

- The stubs after you pay a bill
- Monthly bank statements
- Monthly credit card statements
- Financial statements
- Stubs from paychecks
- Social security statements
- Explanation of benefits from health insurance
- Receipts