

4 Essential Tasks for Financial Spring Cleaning

The weather seems to finally be warming up, which means it's time for spring cleaning! In addition to airing out the house, cleaning out the basement or garage, and washing the drapes, be sure to give your personal finances a spring cleaning, too. Here are four essential tasks to add to your spring cleaning to-do list:

Sort Paperwork

Go through all of the paper files and receipts you've saved over the past year and place everything into either the "File/Save" or "Toss/Shred" pile. Items that should be shredded include ATM receipts, bank deposit receipts and credit card statements, once the accounts are current. Utility statements can also be discarded after they've been paid. This helps protect you against identity theft as well as clutter. If possible, switch to e-statements to reduce the amount of paper lying around. Save pdf files or copies of the e-statements until they have been paid, then archive or delete them.

Cash in Rewards

When you were sorting your paperwork, take note of any unused credit card points, airline frequent flyer miles, store credits, loyalty club memberships, etc. Schedule when you'll need to use these benefits by before you lose them. If you're currently paying a fee to participate in these programs (such as an annual fee for a credit card) do the math to figure out if the reward outweighs the fee. If it doesn't, consider dropping the program.

Reassess Savings

Once you've organized all your paperwork, take stock of your monthly budget. How much are you saving each month? What are you saving for? Spring (aka tax season) is a good time to annually reassess where your money is going and determine if you're on track to meet your financial goals. If you're putting money into a college fund, for example, there might a tax-deductible account you should be using instead of that CD. Wisconsin offers two 529 college savings plans: Edvest and Tomorrow's Scholar. Talk to your banker about which program is the best fit for your family.

Update Beneficiaries

Look back at insurance and retirement account policies to make sure the beneficiaries are current. If your marital status recently changed or you experienced the loss of a spouse or child it is especially important to update your beneficiary information. Make sure the money will go where you want it to go if it gets distributed today, not where you wanted it to go when you first signed the policy. No matter what areas of your personal finances need a little dusting off, taking a little extra time this spring to work on your money issues will make budgeting throughout the rest of the year much easier.



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