

6 Important Steps To Tackle Your Financial Spring Cleaning



By: [Rachele Bouchand](#), CFP®, CFC®, AEP®, *Managing Director*

My mother is an organizing/cleaning enthusiast, so the tips I share today would be at the top of her list. The tools she gave me helped create the foundation I needed to make confident financial choices. One of those skills was to organize and create a clean space before making any major decisions. Ultimately, she wanted me to be empowered and financially independent. I still use many of her lessons today, which drew me towards the HerPath initiative at Pathstone.

One of the goals for HerPath is to help women exchange ideas and help each other grow. In the spirit of collaboration, I'm sharing how I tackle Financial Spring Cleaning in my household. With the sun shining brightly, staying inside filing may not sound appealing. However, I have a few hacks to make the task easier.

- 1) Have a place for all key documents (specific files, whether physical or electronic). This includes key individuals' contact information: CPA, financial advisor, attorney, insurance broker (life insurance and property/casualty)
- 2) Update balance sheet and budget
 - a. Review these two items at least annually.
 - b. Balance sheet- list all your assets and liabilities
 - c. Budget-Know your income and expenses. If this sounds overwhelming, have 5-10 large buckets of expenses (housing, food, education, insurance, etc.)
- 3) Have a system
 - a. Manage the clutter. Take the time to shred, delete, recycle, and file any statements in their correct places.
 - b. Have a schedule. It does not matter if it's once per week or once per month. Here's mine:
 - i. Sort (shred, delete, recycle or file) mail weekly.
 - ii. Monthly, clean out the "do later" pile. This "pile" is either in a specific drawer or email folder.
Make one of three decisions:
 1. Complete the task,
 2. Roll the task to the next month, or
 3. Accept that the task is not a priority and delete it
 - iii. On a quarterly basis, update a spreadsheet to track charitable contributions, transactions (purchases/sales), or any major financial/taxable event for the year.
- 4) Use a password storage system. There are several choices, LastPass, Keeper, Dashlane, etc. I use a family version and list my husband as my emergency contact, so he has access to accounts if something happens to me.
- 5) Estate Planning Documents
 - a. Review every 3-5 years or whenever there is a major life change (birth, marriage, divorce, moving to another state, major law changes, etc.).
 - b. Questions to ask during your review:
 - i. Are bequests to charity / individuals still representative of your wishes?
 - ii. Are the key individuals you named for trustee, executor/personal representative, guardian still appropriate?
 - c. Know where this is saved and let your executor know how to locate these documents.

- 6) Check beneficiaries annually on all accounts. Accounts with beneficiaries (such as retirement accounts and insurance policies) are not covered by your will, so it is important you have current beneficiaries listed.

Typically, one spouse is the financial manager. Regardless, both partners need to know about:

- a. All financial assets including life insurance and employee benefits
- b. Key individuals' contact information: CPA, financial advisor, attorney, insurance broker (life insurance and property/casualty)
- c. Where key records are stored

Once the clutter is cleared and a system is in place, maintenance is simple. I hope you can use some of these tools to ease your financial journey. Happy Spring Cleaning!

About the Author



[Rachele Bouchand](#), CFP[®], CFC[®], AEP[®], *Managing Director*

As a Managing Director in Pathstone's Bellevue, WA office, Rachele is responsible for advising families and single-family offices on a variety of wealth management and estate planning topics. She has over 20 years' experience working with multi-generational wealth.

Disclosure

This presentation and its content are for informational and educational purposes only and should not be used as the basis for any investment decision. The information contained herein is based on publicly available sources believed to be reliable but is not a representation, expressed or implied, as to its accuracy, completeness or correctness. No information available through this communication is intended or should be construed as any advice, recommendation or endorsement from us as to any legal, tax, investment or other matters, nor shall be considered a solicitation or offer to buy or sell any security, future, option or other financial instrument or to offer or provide any investment advice or service to any person in any jurisdiction. Nothing contained in this communication constitutes investment advice or offers any opinion with respect to the suitability of any security, and this communication has no regard to the specific investment objectives, financial situation and particular needs of any specific recipient. Past performance is no guarantee of future results. Additional information and disclosure on Pathstone is available via our Form ADV, Part 2A, which is available upon request or at www.adviserinfo.sec.gov.

Any tax advice contained herein, including attachments, is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of (i) avoiding tax penalties that may be imposed on the taxpayer or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.