



Finance

by Clarissa Krinsky,
MD < CFP®,
ClariFinancial
www.clarifiplanning.com



ClariFinancial

Creating a Directory for Your Financial Life

As a follow-up to my article last issue, I want to discuss the creation of a master directory for your financial life. Most of the couples with whom I work have finances delegated to one person. While this is efficient, that often means only one spouse knows how to access the accounts online, what bills need to be paid and when, and other financial details.

This is important if something happens to one of you. In addition, single folks often leave their surviving family and friends largely in the dark about what they have and where it is. This article will address the creation of a directory that will guide any survivor through the labyrinth of your financial assets and obligations.

I came across this concept on Morningstar.com in an article by Christine Benz. She created an amazing template that can be accessed via the Morningstar website under a search for "Master Directory".

A distillation of the process follows. Most of us have our money in various banks or brokerage firms, and hopefully not too much hidden in our homes.. Gaining access to these accounts, even

to report that the owner has passed away, can be a daunting task. A directory to the websites, passwords, account numbers, etc. is very valuable.

However, this means the document has private and time-sensitive material. It should be stored wherever you keep your most important documents, such as with your attorney, in a safe-deposit box, or in a safe in your home. Your loved one(s) must know of its existence and where it is. If you create a protected electronic document, make sure someone knows where it is kept and has the password!

The directory should include the following:

1. Key persons: the name and contact information for your insurance agents, accountant, attorney, financial planner, important family members, etc.
2. Financial assets: the account numbers, websites, usernames, passwords, and PIN numbers for your banks, investment accounts, retirement accounts, etc.
3. Insurance policies: you'll need contact information for the agent, policy numbers, benefits, etc.
4. Other assets: attach documentation of any other valuable assets that you possess, such as mortgage and title information for your home and autos.
5. Liabilities: include the online access information, due dates for any payments, and deadlines.

As you go through the creation of this directory, it will prompt you to review your own accounts and estate plan to make sure all the information is up-to-date. If it is too unwieldy and complicated, this may be an impetus for streamlining and consolidation of your assets. It must then be updated annually to ensure correct passwords and contact information.

Again, the key components are keeping the directory secure; letting your key family, friends, or professionals know where to find it; and making sure it is updated annually or with any major life changes. This will become a tremendous gift to give your loved ones in the future.

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