



Be prepared for a disaster

Natural or manmade disasters can strike at any time. Of course, your family's health and security are the most important considerations. Once safety concerns have been addressed, regaining order in your finances is essential for returning to normal life. The Kentucky Society of CPAs advises that proper planning and preparation before disaster strikes is crucial. CPAs offer these tips on how to do it.

Keep your records in order

In the wake of a disaster, documentation, including personal identification, insurance papers and banking and investment information may be necessary. CPAs advise that you keep all of these important materials in a bank safe deposit box or a secure, fireproof home safe. Documents to store include birth, death and marriage certificates; divorce and custody agreements; passports, military records; copies of drivers' licenses; deeds and contracts to real property; and stock and bond certificates.

Other important papers include those with information and contact details for your insurance policies, as well as retirement plan beneficiary information. You'll also want easy access to information on checking, savings and investment accounts; car titles; copies of wills, living wills or medical powers of attorney; and trust documents. You may also consider storing copies of some documents with a trusted relative or friend who lives in another location. That's added protection in case you are unable to gain access to a home safe or even your local bank after a disaster.

When storing a will, remember that the original is necessary in the event of your death. Since a bank safe deposit box may be sealed after a death, do not store an original will there. Instead, keep the original at your lawyer's office or other secure and accessible location.

Take pictures

Among your records, remember to store photos of your home and what's inside it, including the contents of closets, garages, attics and basements. Photograph your cars as well and any other belongings that could be damaged in a disaster. It's also a good idea to make an inventory of your possessions, along with your best estimates of what it would cost to replace them. The photos and inventory will come in handy when you make an insurance claim for lost possessions.

Have some cash on hand

How will you pay for food, a hotel or other needs if you are forced to leave your home? If the power goes out in your area, banks or ATMs may be unavailable. That's why it's a good idea always to have enough cash on hand to cover your family's expenses for at least five days. Keep this money in a safe location where it can be easily accessed.

Use free resources

These are a few of the steps that CPAs recommend to make sure your family is prepared for a disaster. For more guidelines, check out "Financial Planning: A Guide for Financial Preparedness," a booklet made available to you by the American Red Cross, the American Institute of CPAs and other sponsors. You can search for it on www.aicpa.org.

Talk to your CPA

Your local CPA has expertise in a wide range of financial matters, including preparing for or recovering from unexpected events. Contact him or her for advice on all your financial needs.