



Getting Your Records in Order Taking Inventory: Household Possessions

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If asked to make a list of possessions — clothing, household furnishings and appliances, gardening and automotive equipment, jewelry, etc. — most people would find this hard to do from memory. But if a house or apartment

was destroyed by fire or damaged by a tornado, a list of household possessions would be needed when filing a homeowner's or renter's insurance claim. In the event of a burglary, the police also would need to know what was taken. It is important to have a detailed list of losses, proof of ownership, and documentation of value to recover stolen items or settle insurance claims. This information also can help if claiming casualty or theft losses on income tax returns.

Household managers need to take a clue from business managers — who take inventory once a year — and make a household inventory.

What Information is Needed?

A household inventory is an itemized list of household furnishings, equipment, and other personal possessions. The inventory should clearly identify the item, the brand name, and a brief description of each item (color, size, style, features, unique characteristics, dealer's name, etc.). Where applicable, also include the model, serial, or other identification number (check the owner's manual for the number's location).

The date items were purchased or acquired is needed to help identify the item as well as establish value. Try to be as accurate as possible on dates. For used, inherited, gift, or other items not new when acquired, note date acquired and approximate age.

The purchase price or the value of items when acquired should be noted. It is a good idea to periodically estimate what it would cost to replace the item at current prices.

Why is a Household Inventory Needed?

Most people think they will never be faced with losses from fire, theft, or a severe storm — but it can happen. A household inventory can provide a record for insurance purposes and owner identification in case of loss or theft. It can help determine the amount of

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insurance needed to adequately cover possessions. If a loss is not covered by insurance, these records help prove the loss for income tax purposes.

Household inventories can help when estimating the market value of possessions when compiling net worth statements and estate plans. It can help identify heirlooms or other possessions that are planned as gifts in the near future or after death. Replacement cost information, along with an estimate of the average life of an item, can also help in planning and forecasting future furnishings, equipment, and other purchases.

How is a Household Inventory Developed?

Several methods can be utilized when developing a household inventory, each of which has advantages and disadvantages. However, a combination of several methods may be more effective in establishing loss, ownership, and value.

Be systematic. Develop the inventory room by room (or category by category). Start at one point and go around the room, listing and/or photographing each item or area. Do not forget to open closet doors and drawers, and check the attic, basement, garage, and automobile trunks.

A household inventory will take time and effort to complete. Consider videotaping each area (or taking broad, overlapping photographs) and storing the videotape or photographs in a safe place. This will provide at least some record of household possessions should the home be damaged or destroyed while the more detailed inventory is being developed.

- Written inventory: Using a loose leaf notebook, with each room or category (such as kitchen appliances or lawn equipment) kept on a different page, is ideal. A sample form is included on page 3. This method allows keeping the inventory up-to-date by adding or removing pages. Photos can be placed in this type of inventory by attaching them to stiff paper or by including them in commercially available photo pages or pockets.

As an alternative, a homeowner's or renter's insurance agent may have a form that can be used or a commercially available household inventory publication can be purchased. These publications also may include space for photographs.

- **Audio recording:** An audio tape may allow describing possessions in more detail than in writing.
- **Computer inventory:** Another option is an electronic inventory. Updates and additions to a household inventory can be made quickly and easily by utilizing a computer software program.

Several inventory programs have been developed by commercial firms (sometimes as part of a comprehensive personal finance software package) and universities. An alternative would be to adapt a data base management, spreadsheet, or word processing program. In some communities, a commercial firm can be hired to come in and do a computerized inventory of household possessions.

- **Photographs or slides:** To supplement a written, audio, or computer inventory, take photographs or slides of each room or area where household possessions are located. Pictures can help establish the condition and value of possessions, as well as make identification or replacement easier. This may speed up an insurance claim. Color pictures can reveal the quality of possessions. Be aware of potential sources of glare such as window, glass, or other shiny surfaces.

Make sure to date photographs or slides taken (unless this is done automatically when the film is processed). When using this method alone, be sure to also note relevant information (items, quantities, dates and prices/values when acquired, descriptions, etc.).

- **Video recording:** Consider completing a videotape of possessions. Video recordings can show all dimensions of a valuable item. This type of service also may be commercially available.

Extra Precautions for Special Items

Pictures and detailed listings are especially important for unusual or expensive items. Close-up pictures of special collections, valuable paintings, silver, jewelry, and antiques are recommended. Group small pieces, such as jewelry and silver, on a plain rug or other solid background. If the brand, pattern, manufacturer, or other information on the item is important to establish ownership or value, make sure this information is readable in the picture (such as by turning over a piece of china or silver). Move in as close as possible to take the picture. If the item is extremely valuable, consider having a member of the family in the picture for additional proof of ownership.

For those possessions most subject to theft (such as bicycles, audio and video equipment, power tools, and musical instruments), consider engraving an identifying number on them. This is especially important where serial numbers on these items can be easily removed. In Oklahoma, local Police Departments and Sheriff's Offices sponsor Operation Identification, which is designed to prevent burglaries and assist in the recovery of lost or stolen property. Contact a local law enforcement agency for additional information about Operation I.D. and the loan of an electric engraving device. Recommendations on the type of identifying

number to use and items that should and should not be engraved can be provided.

Additional Suggestions

Make several copies of the household inventory. A master copy of the written or printed inventory (or even the computer disk with the program software and data files, if storage permits), pictures or slides (or negatives), audio tape, and/or videotape should be kept in a safe deposit box. A home safe that is both fireproof and burglar proof is another option, but it may not be "tornado-proof." A second copy of the inventory can be kept in a convenient place at home. A homeowner's or renter's insurance agent also may want to keep a copy on file.

Sales receipts and other proofs of purchase or acquisition (if received as a gift or an inheritance) often can provide valuable information about the date an item is acquired, its value when acquired, and when a written warranty expires. Develop a system for storing and retrieving this information. For example, store them in a home file or attach them to the relevant warranty information. Sales receipts and other proofs of ownership for unusual or expensive items (or others that are irreplaceable), as well as appraisal information for antiques, jewelry, or other valuables, may need to be kept in a safe deposit box (or attached to the original household inventory that is stored in a safe deposit box).

Check homeowner's or renter's insurance policy. In the event of a loss, does insurance coverage provide actual cash value (generally, replacement cost minus depreciation) or replacement cost? What is the limit on coverage of antiques, computers, silver tableware, firearms, jewelry, art collections, etc.? Is special coverage needed for these items through a separate policy or through a rider or endorsement on the current policy? What perils are not insured? Are there any other exclusions or limitations on the policy?

Do not forget to update the inventory at least every six months or so, especially when purchasing, selling, or discarding major items. Replacement cost information can be updated less frequently because of the time involved in collecting it. Remember that some household inventory methods — such as a video or audio recording — are more difficult to update.

Get started now. As mentioned earlier, a household inventory requires some time and effort to get started. However, once the initial inventory is done, it is not too difficult to maintain. And in the event of a fire, burglary, or other loss, providing as much information as possible to the insurance company, law enforcement officers, or the Internal Revenue Service (if the return is audited and a casualty or theft loss is claimed) is well worth the effort.

For More Information

Refer to T-4150 and T-4151 in this series.

Household Inventory

Room or Category: _____ **Date:** _____ **Page:** _____

Item	Quantity	Description (Brand, model, serial no., features, etc.)	Date purchased or acquired	Cost or value when purchased or acquired	Appraised value ____, 20__	Replacement cost ____, 20__	Replacement cost ____, 20__

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Bringing the University to You!

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Extension carries out programs in the broad categories of agriculture, natural resources and environment; family and consumer sciences; 4-H and other youth; and community resource development. Extension staff members live and work among the people they serve to help stimulate and educate Americans to plan ahead and cope with their problems.

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Issued in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Robert E. Whitson, Director of Cooperative Extension Service, Oklahoma State University, Stillwater, Oklahoma. This publication is printed and issued by Oklahoma State University as authorized by the Vice President, Dean, and Director of the Division of Agricultural Sciences and Natural Resources and has been prepared and distributed at a cost of 20 cents per copy. 0606 GH.