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Homeowners need evac plan

Important papers first thing to take

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Sunday, June 20, 2004 - You're a Southern California homeowner, fortunate enough to be at home while a major fire comes closer and closer to your property.

Finally the moment of decision comes. You've got to evacuate, and you've got time to grab one, maybe two things before you high-tail it away from the fire.

What do you take?

Financial adviser Nancy Langdon Jones of Upland faced that question last year, when she and her husband were evacuated from their San Antonio Heights home because of the Grand Prix fire.

"We looked around and asked ourselves what we should take," Jones said. "As it was, we muddled through, and we came back and said how much easier it would have been if we had a plan in place. I think a lot of people are like that.

Bruce Gray, a San Dimas certified public accountant, agrees with Jones.

"An awful lot of people don't even have a plan," Gray said. "They might have thought briefly about what they would grab - a lot of the time it's family photos - but they haven't really thought things through."

That's the purpose of a new booklet - "Disaster Recovery: A Guide to Financial Issues" - published jointly by the American Institute of Certified Public Accountants and the American Red Cross, with the help of the National Endowment for Financial Education.

The 32-page booklet, which is available free through the Red Cross, deals with all the issues a family might face both during and after living through a natural or man-made disaster.

"There are things people never even think about that they really ought to be considering," said T. David Colgren, president and chief executive officer of New York-based Colcomgroup, which is promoting the booklet. "The idea here is to make sure they're aware of these things before they are in a crisis situation."

The booklet is divided into three parts and seven chapters. The first section deals with the first days, the second with the weeks and months after the event and the third with moving on.

Two things many people may not know are where to go for help and what documents they should have saved.

"It's a good idea for people to either have originals or copies of their crucial documents in a safe place,"

said Gray, who is a CPA. "Maybe they would have them in a safe-deposit box or with a lawyer, a friend or a relative. But there are an awful lot of people who don't even have them in a fireproof box in their own home."

Most people probably realize that things like birth or death certificates, marriage licenses, wills or powers of attorney are important.

Not as many would put the same priority on medical records, bank statements, pay stubs, car titles or mortgage/lease agreements. Yet the loss of any of those could cause difficulty for someone trying to straighten out their affairs after losing their home.

Ditto on retirement accounts, pay stubs, warranties and receipts for major purposes and credit-card records.

In addition, even if all these things are in a safe place away from the disaster, it's important that other family members know where to find them in case the person with the knowledge is injured or killed.

"Situations like this are very traumatic," Gray said. "But they can pass a lot smoother if people are prepared."

The booklet goes on to discuss what to do if you can't return to work, or if someone in the family has died because of the disaster. All the little steps that are easy to overlook - such as the possibility of applying for Social Security disability or survivors' benefits - are explained in detail.

The AICPA already had experience in publishing booklets such as this one. Its "Regaining Financial Balance: AICPA Information and Resource Guide for Americans Impacted by September 11" was published in 2002 to help survivors deal with the aftermath of the terrorist attacks.

In that booklet, the group advised people to file claims promptly, draw on tax-free money first (insurance money before retirement accounts) and be very cautious in dealing with credit-card companies.

For example, card companies often send letters to surviving spouses offering to transfer the account the deceased spouse had. Since a survivor is generally not liable for a spouse's credit-card debt - unless it was a joint account - accepting that offer creates responsibility for whatever balance was on the card.

Jones says the booklet is wonderful, something everyone should have.

"So many of my clients come to me and ask me what they should keep safe," she said. "I would love to be able to direct them to a booklet like this that would spell everything out for them.

"People get so intimidated in situations like this. I had to get everything together a few weeks ago in preparation for a trip to China, and I wasn't sure I was thinking of everything.

"Having a good, comprehensive list that's easy to understand is just invaluable for people. Really, everyone should have this booklet."

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