

Published on *SeniorNavigator* (<https://seniornavigator.org>)

## Financial safety: The often forgotten piece of disaster preparedness

### **Financial Safety and Preparedness**

After a natural disaster, having access to personal financial, insurance, medical and other records can help people starting the recovery process quickly. There are a few things taxpayers can do to help protect their financial safety in a disaster situation.

### **Financial Preparedness Tips**

**Update emergency plans.** A disaster can strike at any time. Personal and business situations are constantly evolving, so taxpayers should review their emergency plans annually.

**Create electronic copies of documents.** Taxpayers should keep documents in a safe place. This includes bank statements, tax returns and insurance policies. This is especially easy now since many financial institutions provide statements and documents electronically. If original documents are available only on paper, taxpayers can use a scanner and save them on a USB flash drive, CD or in the cloud.>

**Document valuables.** Documenting valuables by taking pictures or videoing them before a disaster strikes makes it easier to claim insurance and tax benefits, if necessary. IRS.gov has a [disaster loss workbook](#) that can help taxpayers compile a room-by-room list of belongings.

**Understand tax relief is available in disaster situations.** Information on [Disaster Assistance and Emergency Relief for Individuals and Businesses](#) is available at IRS.gov. Taxpayers should also review the [itemized deduction for casualty and theft losses](#). Net personal casualty and theft losses are deductible only to the extent they're attributable to a federally declared disaster. Claims must include the FEMA

code assigned to the disaster.

Taxpayers who live in a federally declared disaster, can visit [Around the Nation](#) on IRS.gov and click on their state to review the available disaster tax relief. Those who live in counties qualifying for disaster relief receive automatic filing and payment extensions for many currently due tax forms and don't need to contact the agency to get relief. People with disaster-related questions can call the IRS at 866-562-5227 to speak with an IRS specialist trained to handle disaster issues. They can request copies of previously filed tax returns and attachments by filing [Form 4506](#), order transcripts showing most line items through [Get Transcript](#) on IRS.gov or call 800-908-9946 for transcripts.

### **More Information**

- [Publication 584-B, Business Casualty, Disaster, and Theft Loss Workbook](#)
- [Publication 547, Casualties, Disasters, and Thefts](#)
- [Publication 5307, Tax Reform: Basics for Individuals and Families](#)
- [Publication 583, Starting a Business and Keeping Records](#)

Article Source

Internal Revenue Service

Source URL

<https://www.irs.gov>

Last Reviewed

Thursday, May 2, 2024