

ABC's of Filing

Don't be afraid of your filing cabinet

The ABC's of Efficient Filing Systems

Organization and efficiency are two fundamental building blocks of any successful business enterprise. These fundamentals are essential to all modern businesses filing systems. An efficient filing system, which maintains through both the test of time and the expansion of business, should be the priority of any company. While frustrations and concern over time often push file management to the bottom of the priorities list, the benefits of efficient filing cannot be undervalued.

Not only do efficient filing systems afford peace of mind, but

they also allow quick and easy access - thereby maximizing time efficiency. As time is money, inefficient systems not only slow down the day-to-day operation of the business, but also threaten the very stability and security of the organization and clientele. From legal documents to employee records, understanding the basics of efficient filing can aid in two important steps of file management - 1) creating and 2) maintaining an efficient and successful filing system that WORKS for your business.



Understanding Your Records



The foremost starting point for organizing files is to distinguish between three main types of records within the company - 1) active and 2) inactive and 3) permanent records. These records include documents such as: historical, legal, personnel, financial, and company policies and procedures.

Active Records are those that need to be readily accessible for the day-to-day operation of the business. Such records need to be on hand, and are frequently in use. An example would be your current fiscal year accounting records.

Inactive are those that are no longer in regular use, or are not compulsory for business operation- but rather are required to be kept for compliance to regulations and historical reference. An example would be a previous year's accounting records.

Permanent Records are those that are to be kept forever. The reasons for keeping them permanently can be compliance to regulations, archival value and business needs such as Vital Records.

Understanding Your Records cont..

It is important to distinguish between these types of records to improve the organization of your filing system. Active records should be filed within easy reach, while inactive records should be filed separately - either off-site or out of the way of your daily operation.

Active and inactive records should be further redefined by file format, as either paper or electronic records. Defined by Revenue Canada, *paper formats* include all hard-copy books, records and supporting documents which can be physically produced, while *electronic records* are filed in an electronically readable format, including documents which are created, transmitted or received electronically. It is strongly suggested that a business filing system should include both paper and electronic records, and a mirroring of these filing systems should take place regularly. This allows easy association between all records and information within the business, regardless of file format.

Effective Categorization of Your Records



The second step towards creating an effective filing system is the formation of *file categories*, which contain collections of relevant files that can be used together. Each file category should be based on a subject that is easily identifiable and broad enough to include several "sub" categories of relatable material.

The main file categories can be classified as either 1) standard or 2) industry specific.

Standard categories include those that are utilized within most business organizations - such as personnel, administrative and office finance

Industry specific categories are unique to the specific business, and could include clientele accounts, information technology or specific branch information

After the main categories have been identified, sub-categories - often coined primary and secondary - should be created. This is considered a hierarchical system, through which knowledge is arranged by the subject relationships (as opposed to alphabetical or numerical). For example, for the main file category *Human Resources*, a primary category within this could be *Personnel* in which secondary files could include *Employee Files*, *Employee Reports* or *Confidential Files*.

These file categories should also be assigned a file code, which is a numerical structure that increases efficiency of filing while also reducing filing error. According to author Teri J Mark, these codes are separated into three parts - 1) letters which typically identify the subject of the file category, 2) the first two numbers which identify the primary category and 3) the last two numbers representing the secondary category. For example: the code ADM stands for *Administration*, while ADM-01 could stand for *Administration - Facilities*, and ADM-01-01 could stand for *Administration - Facilities - Security*.

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Effective Organization of Your Records

While hierarchical systems are most commonly used in record organization, there are several methods through which file categories can be arranged. In any filing system, consistency and uniformity are paramount in maintaining effectiveness.

Types of Filing Arrangements:

1) Alphabetic filing arrangements

- pertains to filing systems organized alphabetically
- is especially effective when there are simplistic titles or subjects example: Marketing/Sales – Publications – Newsletters
- can pose difficulties due to individual interpretation of “title” which distinguishes where the file is placed

2) Chronological filing arrangements

- pertains to filing systems organized by chronological order (according to sequential dates)
- is especially effective for logs, daily readings or reports
- example: ADM-02-(25/10/2011)

3) Geographic filing arrangement

- pertains to filing systems organized by geographic location, typically alphabetically by title (region, city, state)
- particularly useful when dealing with regional branches or sales
- example: CL-01 (Client Accounts) – Manitoba – Winnipeg Region

4) Numeric filing arrangement

- pertains to filing systems organized by numbers or numeric arrangement
- typically the easiest and most effective filing arrangement to create and maintain
- alphanumeric systems include initial alphabetical subject designation followed by primary and secondary categories arranged in numeric code (example – ACC-02-01)

Choosing a filing system that works for your company can be difficult, but the deciding factor should be based on the ability to maintain both consistency and uniformity. Filing confusion due to employee turnover, new policies or expansion can be detrimental to business efficiency and revenue. An efficient and organized filing system can save time and money for both the smallest business and largest corporation.

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