

FEAR OF FILING

How To Store Information So You Can Find It Again

Knowledge is power. To gain knowledge, you need access to information. Information can be stored in many forms for later referral, but primarily information falls into either the category of electronic or paper. When you need to know something that isn't already part of your own knowledge base, you must access the information externally. You can access the knowledge that others hold by verbal or written exchange via in- person communication, telephone, fax, or email. But what about when the information you need is stored in either electronic or paper form instead? How do you find it when you need it? And how do you know what to keep versus what to throw away? Here you'll find the answers to these age-old questions and more.

To Toss Or Not To Toss?

Eighty percent of the paper you keep over your lifetime you will never refer to again. It's the Pareto Principle, or the old 80/20 Rule. But how do you know what to keep versus what is safe to pitch out? Below is a guide to records retention guide from the Consumer Action Center.

- Real Estate Records – Forever
- Contracts - Forever
- Corporate Stock Records - Forever
- Financial Statements - Forever
- Tax Returns - Forever

- Cancelled Checks – 7 years
- Bank Deposit Slips - 7 years
- Bank Statements - 7 years
- Employment Tax Returns - 7 years
- Expense Reports - 7 years
- Entertainment Records - 7 years
- Inventory Records - 7 years

- Minutes of Meetings - Life of Company plus 7 years
- Employee Records - Period of Employment plus 7 years
- Depreciation Schedules - Life of Business plus 7 years
- Journal & General Ledger - Life of Business plus 7 years
- Home Improvement Records - Ownership period plus 7 years
- Investment Records - Ownership period plus 7 years

You may find that keeping all the above information is overkill, and you may be right, however, check with your attorney, accountant, and other relevant service professionals before making the decision to eliminate files. The last thing you need is to be out of compliance with the records retention guidelines for your industry.

In addition to understanding your industry's records retention laws and guidelines, it is important to be aware of any privacy laws that are in place to protect the privacy of your clients and customers. For example, recent HIPA (Health Information Protection Act) regulations have stringent codes for collecting and storing the private information of medical patients. Again, for legal and compliance purposes, check with your attorney, accountant or other reliable resource to determine what types of information you need to keep long term versus what you are free to throw away.

Why File At All?

Given that nobody actually likes to file, you may wonder why you have to bother dealing with filing at all. The whole point to filing information is so that when you need it again, you can find it, but in the meanwhile, it is out of the way and out of sight. To have information out of your sight requires some confidence on your part that you'll be able to find what you need at a later date. Some people are uncomfortable having anything they might need again out of their sight because they are terrified that they won't remember where they put it. As a result, they leave *everything* out on the desktop, scattered about the office, and on the floor, ostensibly "so things won't get lost". The irony to this chaotic system is that things DO get lost simply because when everything is left out in order to be visible, NOTHING is visible through the resultant clutter. It's a vicious cycle that a good filing system can quickly fix.

There are several factors that go into filing information:

1. What information do I need to keep versus what can I toss?
2. Once I decide what to keep, where do I store it?
3. How do I store it?
4. Most importantly, how do I find it again?

We've already discussed how you can choose what information to keep and what to be rid of in the last section. However, as a general rule of filing, you can ask yourself some questions which will help you decide whether to keep a piece of paper or not. Ask yourself, "What is the worst thing that could possibly happen if I throw this away?" Ask yourself, "If my building burned down, would it be a tragedy if this were lost?" Ask yourself, "If I get rid of this paper, and for some reason need it later, is there someplace else I can find the information?" Ask yourself, "Is this the most current information or will this soon be outdated?" All these questions will go a long way to making you really think and purposefully decide the fate of each piece of paper, rather than mindlessly filing away *everything* "just in case".

The ABC's Of Creating An Effective Filing System

As a child, you probably learned the alphabet by learning the ABC song. The ABC's are the most basic building blocks to language and communication, and you bonded with them from a very early age. It makes sense, then, that when you became an adult, that you'd once again turn to your old faithful ABC's to help you keep track of various types of information. So you set up a filing system based on an A through Z model, with A being at the front of the file drawer and Z in the back.

Although an alphabetical filing system is the simplest way of STORING information, it is ineffective for RETRIEVING information, which is the primary purpose for storing information in the first place. This means that you will have no trouble putting information INTO your alphabetical system, but don't expect to find it again without some struggle.

How To File Information And Find It Again

Finding information again after it's been filed should be simple and intuitive, much like grocery shopping. No matter which grocery store you walk into, even if you've never been there before, somehow you're able to find all the groceries you need. How is that possible? It's possible because when you wish to find specific grocery items, they aren't stored alphabetically are they? No, they are stored topically by category, and because your brain thinks in concepts and categories, you are able to quickly figure out where each item "should be" living in any given store. Peaches are with produce, milk is in the dairy aisle, and flour is with baking goods. Seems simple enough.

So if categorical filing is so simple, why not apply that same concept to the paper files in your life to make them easier and more intuitive to find when you need them? Filing by topic helps you to quickly and easily access information because you search for it in a place which makes sense to you intuitively rather than trying to remember whether you've filed a car repair receipt under C for Car, A for Auto, H for Honda or R for repairs.

In an alphabetical filing system, there are theoretically, twenty-six potential places you could have filed something, and the system breaks down over time because you have to rely on your brain to remember where you filed it oh those many weeks or months ago. With a topical filing system, you simply set up the categories to mirror the broad areas of your life, and then subdivide from there.

For example, let's say you are creating a filing system for your business. You might divide your business up into several broad (top level) categories such as:

- CLIENTS
- OPERATIONS
- VENDORS
- EMPLOYEE RECORDS
- PRODUCT INFORMATION
- MARKETING
- ACCOUNTS RECEIVABLE
- ACCOUNTS PAYABLE

Once you have your broad, top level, categories named, you can then figure out how to subdivide them into smaller groups. You see, this filing system is like a funnel, in that it's broad at the top and gets narrower as you get closer to the information you want to file or retrieve.

An example of how your broad categories can be subdivided follows:

- CLIENTS –
 - Georgia
 - Alabama
 - Florida

- OPERATIONS-
 - Building lease
 - Utilities
 - Office Equipment

MARKETING-	Brochures Web site info Advertising info Networking groups
VENDORS-	Printer ISP Promotional products suppliers

You get the idea of how to take a broad category of your life and subdivide it into smaller categories. You can even subdivide further if you wish, on specific second level categories if they are still too broad for you to find what you need.

For example, you might take Office Equipment and further divide it into Computers, Phones and Copiers. You might take Georgia and further sub-divide clients into Atlanta, Augusta and Macon. You should subdivide categories only until they become clear to you, but don't over-divide. For example, if your business leases three separate offices, there is no reason to divide Building Leases into three folders naming each office. That would be over-organizing and it is just making extra work for yourself. With only three leases total, having just ONE folder called Building Leases is absolutely adequate. Unless a single piece of information is so valuable or can never be reproduced, creating a folder to hold a single piece of paper is overkill and will only add bulk and confusion to your filing system.

Effective Tab Placement

Once you have the structure of your filing system in place, you'll want to place your plastic tabs onto the hanging folders in such a way that they help you navigate your system. Most people automatically place their tabs on the back side of the hanging folder. The trouble with this method is that once the material inside the hanging folder, such as paperwork or manila folders gets plentiful, it often obscures the tab completely.

To avoid this filing pitfall, place your plastic tabs on the FRONT side of the hanging folder instead. This placement allows you to see the writing clearly on the tab and it also acts as a "handle", allowing you to use the tab to pull the folder toward you and open it up in one simple motion. No more sticking your fingers down inside the folder trying to determine where one hanging folder ends and the one you want begins. You just grab the tab, pull it toward you, and poof, the folder is open and ready.

Another hint on tab placement is to use the hanging folder tabs to indicate whether the folder contains a broad level information, second level, or a third level category. Broad level categories should be tabbed at the furthest position LEFT on the front of the folder. Secondary subdivisions should be tabbed at the CENTER position, while third level subdivisions are tabbed on the far RIGHT side of the hanging folder. This is another visual cue to keep your filing system visually simple and easy to navigate.

The Pros and Cons Of Color

Many people believe that filing systems must be color coded to be effective. The truth is that colored folders, if used indiscriminately, can actually do more harm than good. If the system is full of randomly colored files all mixed together, it is visually overwhelming and makes it more

difficult to use the filing system. On the other hand, when colored folders are set up in blocks, color can be a useful tool in maintaining an effective filing system, however, it is always secondary to framing the system based on information first.

If you wish to add color, be sure you have a good reason to do it, and are willing to maintain the color-coding system by always keeping the colored folders on hand. A dual color system means that you have only two colors working within the system. For example, you might use standard green hanging folders and then for specific kinds of information, you use red. A multi-color system means using three or more colors within the same system. Maintaining a dual or multi-color system requires you to purchase and have on hand, all the colored folders that your system uses, at all times. If you are unwilling to commit to maintaining a dual or multi-color system, you should opt to go with a single color system instead.

Using color is effective for dividing different kinds of information. For example, you can make everything dealing with clients bright yellow, and everything dealing with any other business red. This dual color system allows you to quickly see if a client file has been commingled in with the other files, and helps you avoid losing it.

Another way that color is effective is if you are very visually oriented, and it would help you to equate a particular color with the type of information that the folders contain. All files having to do with finance might be bright green, as it is the color of money and would be symbolic and easy for you to remember. Remember, maintaining a dual or multi-color filing system requires you to purchase and stock boxes of different color folders, so don't use color unless you have a good reason to divide files into sections or make certain files stand apart from the rest.

Order Order

When storing paper information, put the newest information in the front of the folder. This becomes very simple to remember if you place the plastic tab on the front side of the folder to use as a handle. You grab the tab and pull it toward you and the folder opens, making it very convenient to drop in the newest paper just inside the front. The reason for keeping newer information in the front rather than the back of the folder is because you are more likely to need to retrieve newer information than old information from the folder. If the newest is in the front, it is simple to do.

A great habit to get into is checking the oldest piece of paper in the folder each time you add something to it. By checking each time you open a folder, you are able to purge each folder one at a time rather than purging your whole filing system once a year, which is tiring and time consuming. Also, by purging your files a piece at a time all throughout the year, you save a lot of space in your filing cabinet, because paper files don't get the chance to get overfull and unwieldy.

Setting up a filing system can be a time-consuming process, however, the time and energy it requires are far outweighed by the benefit of being able to find what you need just when you need it.

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