



Info for the end-user

BY JON PACKMAN

HOW TO PLAY RECORDS

Unless you're a fence, thief or smuggler, running a business means you've got a legal obligation to keep financial records. While it might not be the most glamorous aspect of your work, don't underestimate the benefits of an efficient and accurate records system – it saves time, money and a whole load of hassle if you get it right.

There are two types of accounting information: financial accounts and management accounts.

The former are an historical record of business performance over a past period – usually one year – for the benefit of external users such as shareholders, employees, suppliers, bankers, and tax authorities. They have to be filed at Companies House. Management accounts are aimed at helping business planning and make decisions about key areas, like sales, margins and stock. It all adds up to a lot of paper, and if you want to be certain of how much the company owes, is owed,

and that you're paying the right amount of tax, those records need to be easily accessible as and when you need them.

The old adage of not putting off till tomorrow what you can do today rings particularly true for those suffering from a daily influx of file-able 'stuff'. Nick Parry, director of marketing at Tollit and Harvey, sums up the potential mess you can land yourself in: "When the financial year draws to a close, the last thing you need is to be in a state

of panic, searching through drawers and books looking for elusive receipts, invoices, statements and other documents."

Despite the fact that we're living in a world dominated by technology, a survey conducted by filing specialists, Esselte, in conjunction with a secretarial magazine, recently found that many of us are still struggling under mountains of A4. Although 40% of respondents said that the use of paper documents had decreased in line with their company's investment in computers, 8% of these said the difference was only slight. However, 30% reckoned there was no difference at all, and the other 30% said that paper filing had increased due to people printing out email notes, however short.

With such an abundance of documents to deal with, the filer's best friend is logical thinking. That means date-marked envelopes for even the smallest of receipts, bank statements in the order they arrived, and an overriding sense of duty to uphold the rules of the company filing system. It's also about keeping the process nice and easy, says Parry. "A simple filing system kept up to date alleviates the problem of lost papers and is of huge time saving benefit. Invest in a pre-ruled account book, keep records throughout the year, and the completion of year end accounts is made a lot easier."

He suggests storing records in different types and colours of folders as another simple, practical solution. "Not only will you create a tidier working environment, but you will also have everything organised so that you won't need to rush around gathering important information when the time comes."

Although all businesses have to keep records, what you keep and how you do so will differ from company to company. However, office products manufacturer, Fellowes, suggests a program for records management that most can adhere to. Sticking to a program is essential if you want to generate savings and run an efficient operation, and cycling files regularly through three key storage stages will keep your system on track, says storage marketing manager, Lyndsey Jeffrey. "Start by dividing your records into active (currently in use); semi-active (needed for reference or legally required to be retained); and destruction (outlived its usefulness and ready to be destroyed).

"Then first of all, do an inventory. Know what records you have, where they're located and in what quantity. If a large volume of old records is intimidating you, break up the project into smaller parts. Inventory those records that accumulate most rapidly first and do the rest later. "Second, schedule retention periods – different types of companies require different policies. Even for companies that deal with files on a case-by-case basis, such as law firms or physicians, a calendar should be established to note when files should be transferred.

"And thirdly, the key to a cost-cutting records program is efficient and convenient storage. Begin by choosing your storage method. Storage boxes and drawers are an efficient way to set up and organise paper documents. They're easy to label, easy to stack and they help conserve storage space. Next, create a Records Storage Index and Destruction Control Card for each records storage container. This labeling approach allows you to keep track of the documents inside, when they're scheduled for disposal and also serves as a handy certificate of their destruction."

Like washing-up, no-one's saying filing is fun, but there are ways to make it easier and letting things build up just makes it even harder to get motivated and trawl through the mess. 'I couldn't find it' is an excuse that belongs to the guy whose wife sent him shopping. It certainly won't work with your boss or the taxman. ■

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