HOW TO FILE & DEAL WITH PAPERS

What does a good filing system look like, and how simple can we make it, so that you'll actually use it?

Vague is not your friend.
Begin with categories.
Then subcategories.
Then documents.

Start with the file cabinet's or desk's drawers.
Each category will be assigned its own drawer.
Each subcategory will have its own folder within that drawer.
Finally, the documents within each folder are there because they belong that particular subcategory.

Once the system is defined, label your drawers.
Then create a series of folders that are also clearly labeled.
Then put the corresponding documents into those folders in chronological order, with the oldest documents in the back and the most recent documents in the front of each folder.

Folders within each drawer are arranged in alphabetical order.
The more drawers you have, the farther you can isolate certain kinds of documents from one another.

Here's a generic illustration of a filing cabinet's structure:

DRAWER (Category)

      FOLDER (Subcategory)

            Document (Oldest)

            Document

            Document (Newest)

Here's a list of the drawers I have in my actual filing system.

ADMINISTRATIVE: PERSONAL

ADMINISTRATIVE: ANDREW MELLEN, INC.

CAPITAL AND HOME IMPROVEMENT

CLIENT FILES I (A TO M)

CLIENT FILES II (N TO Z)

RESEARCH: PERSONAL

RESEARCH: PROFESSIONAL

And here's what they contain.

Administrative: Personal

This has everything in it pertaining to the administration of my life, including my medical records, mortgage and deeds, bills and statements, tax returns, insurance policies, résumés. If it is about me, Andrew Mellen, personally, and not my business, this is where it lives. Travel folders also live here, from trips I've taken that had particular itineraries I want to refer back to. And a folder of maps, including a clear plastic sleeve containing tourist information for my town—I give this to guests when they visit.

Administrative: Andrew Mellen, Inc.

This is where everything about running my business lives. Blank forms for client contracts, informational handouts and flyers, press clippings, correspondence with the Trademark office, my client folders live here, including my copies of client contracts, my contracts with my agent and my publisher. Bills for business expenses live here. My assistant's files are also in here.

Capital and Home Improvements

I did a major renovation of my house several years ago. All the receipts and documentation for the repairs and reconstruction live here. These will substantiate my capital improvement expenses when I sell the house. I don't keep monthly bills for services here; those are filed under ADMINISTRATIVE: PERSONAL. Just finite billing for specific improvements to the property.

Client Files I (A to M)
Client Files II (N to Z)

These are documents that belong to the clients themselves. Any bank or credit card statements, tax returns, correspondence between the clients and their vendors or creditors,

receipts, they all live in the client's folder in these drawers. If I have their copy of our contract, it would live here.

Research: Personal

This drawer contains articles and documents that interest me personally. Information and articles about everything from home improvement projects and gardening to health and fitness. Articles on staining concrete floors and types of deer-resistant plants live here. Also, articles on yoga and meditation and a folder of interesting places I've yet to travel to.

The key to this drawer and the drawer below is that these are things that interest me but have no transactional relationship to me—nothing in these drawers has actually happened yet and may never happen. But when I see an interesting article in a magazine or newspaper about inexpensive travel or the latest way to do something I think I might actually do, this is where it lives after I rip it out. It doesn't just lie in a pile on my desk.

I'm in this drawer a fair bit throughout the year. Even so, at least once a year I look through this drawer with an eye specifically to purge obsolete items.

Research: Professional

This drawer contains articles and documents that interest me professionally. Information about public speaking, business development, marketing techniques, new products for storage, creating franchises—all those and more live here.

I'm in this drawer frequently as well. I schedule a few hours every few weeks to look through here to spark my imagination and creative thinking. If I don't make an actual appointment with myself—if it doesn't make it onto my calendar—it won't happen. I'm likely to book that time with a client or find something else to do with my time. Which is fine. But I need and want a certain amount of time to be proactive in building my business and to think about ways to increase efficiency and enjoyment, too.

Like the drawer above, at least once a year this drawer gets purged of obsolete items.

Using these drawers as examples, here's an illustration of how they further break down.

Administrative: Personal (File Cabinet Drawer)

Medical Records (File Folder)

Test Results (10/11/95) (Oldest document on bottom)

Referral Letter from Primary Care Physician (PCP)

Test Results (2/2/99)

Test Results (3/14/02)

Letter from PCP

Test Results (1/16/05)

Letter from PCP

Test Results (5/17/09)

Organizing the documents themselves is not difficult to do, it just takes time. NOTE: Once a document is misfiled, it becomes a major hassle to locate it again. Do not multi-task when filing. Ever.

Superior Filing Tools

Two-hole punches and classification or fastener folders.

Each document is punched at the top of the document and secured inside a folder. These folders have metal fasteners at the top of each "page" or divider, so all documents are secured inside the folder. You'll recognize them as the folders you've seen in doctors' or attorneys' offices with your records in them, although those typically are "end tab" folders, and for our purposes we'll want "top tab" folders.

They come in a variety of colors, and as classification folders are available with one, two, or three interior partitions or dividers. They are called fastener folders when they have no interior dividers, just fasteners on the inside of the front and back covers.

By using one classification folder with two internal partitions (six possible pages) to file all these statements, each individual account can have its own page within one folder.

The folder would look like this:

CREDIT CARDS 20XX (File Folder)

AMERICAN EXPRESS 21000 (Page One)

JANUARY BILL

FEBRUARY BILL

ETC.

BANK OF AMERICA 4339 (Page Two)

JANUARY BILL

FEBRUARY BILL

ETC.

BANK OF AMERICA 7828 (Page Three)

JANUARY BILL

FEBRUARY BILL

ETC.

CHASE CONTINENTAL 4399 (Page Four)

JANUARY BILL

FEBRUARY BILL

ETC.

DISCOVER 6004 (Page Five)

JANUARY BILL

FEBRUARY BILL

ETC.

Each individual page is home to one particular account and that account's statements are arranged in chronological order from the oldest on the bottom to the newest on the top. Now, instead of interacting with one of five folders, you just have to get one folder out of the drawer and all five accounts are there in one neat folder.

Designing and Practicing The Right Way to File

On a separate sheet of paper in your notebook, list the names of drawers (or categories) for your file cabinet. Refer to the above for guidance.

Now create a page for each of those drawers, and begin to list the folders (or subcategories) that would live inside them. Don't worry about keeping this list in any order, alphabetical or otherwise—for now just write them all down. When you create the actual file folders, you'll load them into the drawers in alphabetical order at that time.

This exercise is *not* busywork—it will focus your thinking and help you to design a useful and manageable filing system. It's also a chance to practice and explore different ways of naming and organizing folders *without* wasting time and money renaming and reprinting labels and folders.

If you currently have some sort of filing system, reference the folders you already have for your list above. Are your existing folders specific enough? Too specific? Now's the time to shed any old bad habits and develop new ones that support using and maintaining a new system.

While there's no perfect way to name files, these tips should help hone your efforts:

1. Look for what is common and what is unique about the content of each folder.

Like with like tells us that all the insurance folders should live together, but each policy is distinct. So you could label them Auto Insurance and Health Insurance and Homeowner's Insurance, but what they all have in common is the fact that they are insurance policies. Utilizing what's common unifies them while what's unique distinguishes each from the other:

INSURANCE: AUTO

INSURANCE: HEALTH

INSURANCE: HOMEOWNER'S

This way we know they all are filed under I for INSURANCE, and then in alphabetical order from A – Z.

2. Keep folder names simple and structured: Category, year or date (if applicable), subcategory, any additional information.

The fewer the words are and the more specific they are, the better. So rather than this:

OUR TRIP TO THE GRAND CANYON WITH BOB AND SALLY 20XX

Try this:

TRAVEL: 20XX, GRAND CANYON (BOB & SALLY)

Begin with the category—TRAVEL. Then the year or date—20XX. Then the destination—GRAND CANYON.

Finally any additional information—here the companions, BOB and SALLY.

3. Look for ways to combine *like with like* documents together into one folder.

Rather than a series of individual folders labeled:

UTILITIES: 20XX: CABLE

UTILITIES: 20XX: GAS & ELECTRIC

UTILITIES: 20XX: MOBILE PHONE

UTILITIES: 20XX: TELEPHONE

UTILITIES: 20XX: WATER & SEWER

Use a classification folder that is labeled UTILITIES: 20XX with internal pages for each separate entity on its own page. See the illustration of the CREDIT CARD 20XX folder on page XXX for a visual refresher.

Once you feel confident that you have a system that makes sense to you and follows the common practices I've laid out, leave the page and enter the actual cabinet to create or rearrange and rename the folders you currently have.

What remains is now to be filed. *Like with like* makes filing go faster, especially when there is a stockpile of things to file. So begin by grouping like things together—all your utility bills, bank statements, and credit card statements, and so on. Then further sort them by account number whenever there are multiple accounts with the same vendor. This way, when you start to pull out or create folders, all of a certain kind of document is already together, ready to be filed at the same time.

Always create the folder and hand-write its label before committing yourself to a printed label. You may determine that you need a larger or smaller folder, or that the nature of the contents has shifted enough to warrant a change in label.

Continue filing until everything has a home inside either a folder, one of the mail bins, or the recycling bin.