

Setting Up an Effective Filing System

By Beverly Michaelis

Organizing and maintaining a filing system that meets your firm's needs can be a frustrating endeavor. What works well in one practice area may not translate to another. This article examines the most common approaches to organizing file material and provides tips that can be applied in virtually every office.

Filing Systems: Alpha vs. Numeric

If you find the subject of file management baffling, you are not alone. If you are a newer lawyer, your exposure to office systems may be limited, depending on previous work experience. If you are a seasoned lawyer who has left a firm to set up a solo practice or partnership, you may feel compelled to mimic your old firm's file structure. Before doing so, carefully consider which system is best for you and your type of clientele: numbering client files or organizing them alphabetically.

For the typical small law office, the alphabet can't be beat. It is the most straightforward and efficient approach to organizing client files. When "John Jones" calls to ask a question about his case, the Jones file is easily located without the need to refer to a list or index that cross-references file numbers to client names. This approach works well for lawyers who tend to have clients with one-time matters.¹ If, however, you work in a multi-attorney office, or have single clients with many matters, a numeric or combination alpha-numeric system will serve you well. When "John Jones" calls about the lease agreement you are drafting, a numeric or alpha-numeric system will help you distinguish his real property file from the corporate, litigation, and tax matters also attributable to "Jones."

In numeric or numeric combination filing systems, file numbers can be assigned in sequential order, with or without a year designation. For example, the Jones corporate file could be No. 100 (a sequential number without a year) or 07-100 if it was file number 100 opened in 2007. Alternatively, you could assign each client a permanent number with sequential numbers for each matter file opened on the client's behalf. If John Jones' permanent client number was 1000, his matter files would be 1000-01 (real property), 1000-02 (corporate), 1000-03 (litigation) and 1000-04 (tax).

If you elect to number your files, remember these two tips. First, use the least number of digits possible. The longer your number sequences, the greater the likelihood of filing errors. Second, keep a master client/matter list on your computer to minimize duplicate file numbers and other mistakes. Although such lists can be set up in word processing programs such as Word or WordPerfect, a database or case management program is preferable.

File Media: Folders vs. Binders

Now that you have decided upon a filing system, how should the file material itself be stored? File folders? Notebook binders? If you use file folders, should they be letter-size or legal? Different practices lend themselves to different methods of organization, but file folders are generally the better choice for most practitioners. Cost is the primary reason—folders are usually cheaper and easily fit into existing desk drawers, cabinets, and bookcases. In addition, filing into folders is usually faster and less of a struggle. Binders work best for trial notebooks or other special document organization projects. (If you use binders, recycle the

notebooks when files are closed and put binder contents into a folder for easier storage.)

What about size? In the battle of letter vs. legal, economy wins out again. Letter-size files are less expensive and make the best use of space in the majority of filing cabinet systems. With the scaling down of documents from 14 inches to 11 inches in length, legal-size folders are no longer necessary.

Color Coding

Color-coding of files can be a very effective way to improve the efficiency of your filing system. By associating a color with a given category of main file or subfile, you can easily locate the information you are looking for. For example, a general practice might use color-coding for main files: red for domestic relations, green for real property, yellow for personal injury, blue for wills and estates. When Ms. Smith calls about her divorce, it is easy to pick out the red file sitting on the associate's credenza. Color association is an advantage at filing time for the same reason. If documents need to be filed in the Taylor real property and personal injury cases, the appropriate green and yellow files can easily be distinguished.

If you prefer, you can use plain folders for your main file and color-code your subfiles: blue for legal research, yellow for pleadings, red for discovery, and so forth. Use the method that works best for you and your cases.

Files and Client Relations

When you are setting up a file for yourself, don't forget about the client. Giving the client his or her own file folder in which to place the signed fee agreement and other correspondence and materials he or she will be receiving from you

promotes positive client relations. The folder should include one of your business cards so the client always has your address, phone, fax, e-mail, etc. readily available. Providing clients with a folder helps to keep them organized and lessens the chance that documents will be lost or misplaced. Instruct the client to bring his or her file to each of your meetings, and if appropriate, use the file to record notes or questions for future appointments.

Sample Practice Area File Structures

Does your office have a standard subfile structure for each practice area? Creating such a framework ensures consistency—files are set up the same way each time—and makes filing and retrieval of documents more efficient. Start by looking for common patterns in existing files. Do you find yourself setting up subfolders for Correspondence, Pleadings, and Legal Research in each of your client files? This could be the beginning of *your firm's* subfile framework. To implement a framework for your filing system, create an index. To ensure that folders are always organized in the proper order for each file, assign numbers to each of your subfiles or file sections. Here are sample structures for three types of files: corporate, personal injury, and domestic relations.

Corporate

Subfile

Number Name of Subfile

- 1 Correspondence and General—this year
- 2 Correspondence and General—last year
- 3 Board of Directors Minutes
- 4 Directors Meetings, General
- 5 Articles and By-laws (current)
- 6 Corporate Documents/Incorporations
- 7 Shareholder Minutes
- 8 Shareholder Meetings, general (this year)

- 9 Annual Reports
- 10 Officers
- 11 Securities Issued
- 12 Securities to be Issued
- 13 Audits/Financial Statements
- 14a Taxes—Federal
- 14b Taxes—State
- 14c Taxes—Local
- 14d Taxes—Foreign
- 15a Regulatory Agencies—Federal
- 15b Regulatory Agencies—State
- 15c Regulatory Agencies—Local
- 15d Regulatory Agencies—Foreign
- 16a Real Property Owned
- 16b Real Property Leased
- 17a Acquisitions and Mergers—completed
- 17b Acquisitions and Mergers—future
- 18a Equipment Contracts—company
- 18b Employment Contracts—company
- 18c Other Contracts—to company
- 18d Contracts from Company
- 19 Trade Association
- 20 Pension and Profit Sharing—current
- 21 Personnel Forms
- 22 Labor Agreements—current
- 23 Labor casesⁱⁱ

Personal Injury

Subfile

Number Name of Subfile

Investigation

- 1 Witnesses/Investigative Reports
- 2 Police Reports/Police Photos
- 3 Defendants (Corporate)
- 4 Technical Research
- 5 Medical Research
- 6 Experts/Consultants
- 7 Demonstrative Evidence (Photos, sketches, repair estimates, maps, audio or videotapes, etc.)

Damages

- 8 Plaintiff's Treating Physicians
- 9 Client's Diary/Notes from

- Client
- 10 Other Injury Claims (Workers comp, prior injury claims or suits)
- 11 Economic Damages (Medical bills, funeral expenses)
- 12 Lost Wages/Tax Returns/Personnel Records

Damages—Miscellaneous

- 13a Plaintiff's Insurance (UIM/PIP/Health)
- 13b Liens (Health, PIP, Hospital, Physician, Comp, AFS, Medicare)
- 13c Authorizations
- 13d Settlement/Mediation
- 13e Litigation Expenses

Pleadings

- 14a Pleadings (Trial notices and all pleadings, including discovery)
- 14b Legal Research
- 15 Produced to Plaintiff (All documents produced to plaintiff and defendant's response to plaintiff's request(s) for production; copies of relevant documents should be cross-filed in appropriate places, e.g., medical records to subfile 8, personnel records to subfile 12.)
- 16a Defendant's Discovery (separate defendants) (Includes defendant's requests and plaintiff's responses. Correspondence that constitutes a request or reply to discovery should be copied and cross-filed to the appropriate discovery subfile; original correspondence should be placed in the main client file.)
- 16b Produced to Defendant (Make a working copy of defendant's request, bind all documents produced in response, file here.)

<u>Trial</u>	
17	Pretrial (Motions in Limine, witness list, trial schedule)
18	Trial Memo and Evidentiary Memos
19	Voir Dire
20	Exhibits
21	Opening Statement
22	Lay Witnesses/Liability and Damage
23	Plaintiff's Expert Witnesses
24	Offers of Proof
25	Defendant's Case-in-Chief
26	Motions for Directed Verdict
27	Closing
28	Rebuttal
29	Jury Instructions and Verdict ⁱⁱⁱ

Domestic Relations

This sample system uses a combination of file folders, three-ring binders and expandable file pockets. The file folders are made of durable pressboard and come with two interior dividers, providing a total of 6 filing tabs within the folder to file documents.^{iv}

File Folder Contents

File Folder

<i>Tab</i>	<i>Contents</i>
1	Pleading Index ^v Tabs Pleadings
2	Correspondence (Including fax transmittals and confirmations)
3	Reports (Custody reports, reports from physicians, etc.)
4	Depositions ^{vi}
5	Client's Notes (Any material received from the client)
6	Attorney's Notes (Notes generated by firm attorneys or staff)

Color-coded three-ring notebooks are used to manage discovery and trial exhibits. Discovery documents are filed in two binders, one for the petitioner, and one for the respondent. A discovery index in each binder tracks documents

received, documents produced, and the date of production.^{vii} Expanded file pockets are used for bulky items.

Trial exhibits are organized in similar fashion. An exhibit index tracks the items offered and admitted into evidence.^{viii}

To successfully implement a framework for your subfiles, create a master subfile index. To ensure that folders are always organized in the proper order for each file, assign subfile numbers to each of your subfile names, as in the above examples.

Pulling the Whole Package Together

In addition to the above, effective file management also involves establishing and following file opening and file closing procedures and using tools such as client intake forms, fee agreements, engagement, nonengagement and disengagement letters, and a file closing checklist. Many sample forms, letters, and checklists are available at no charge from the Professional Liability Fund, www.osbplf.org. We also encourage practitioners from all firms—small or large—who have office system questions to contact our practice management team. Office and phone consultations are free and confidential. For more information about the PLF's practice management program, contact the PLF at 503-639-6911 or 800-452-1639.

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ⁱ The Association for Information Management Professionals (ARMA International) is a tremendous resource for those interested in the latest in record management information and technology. 4200 Somerset Drive, Suite 215, Prairie Village, Kansas 66208. (913) 341-0339. Publications available to non-members include: *Alphabetic Filing Rules, Filing Procedures—A Guideline, and Numeric Filing—A Guideline*. From the home page, www.arma.org, click on Publications and follow the links to ARMA

Bookstore, Non-Members Store, then to Filing Basics.

ⁱⁱ *How to Manage Your Law Office*, Altman Weil, § 10.03, pp. 10-26, 10-27 (Matthew Bender & Co., Inc. Rel. 22-7/95 Pub. 356.)

ⁱⁱⁱ Personal injury subfile structure adapted courtesy of Linda J. Rudnick, Esq., Beaverton, Oregon.

^{iv} Domestic relations file structure supplied courtesy of Beth Mason & Associates, Beaverton, Oregon, with special thanks to James Jensen. The pressboard file folders described in the article are available from Oxford (Oxford Classfolders, number 1257) or Smead (Smead UPC 14075-C402-5A-2D).

^v The pleading index is a word processing document with four columns: Number (the chronological number assigned to each pleading document as it is received); Party (the name of the party who generated the pleading); Pleading (title of the pleading); and Date. All pleadings are assigned a number, filed behind an 8.5 x 11 divider sheet with the appropriate numbered tab, and added to the index. The tab sets are from Kleer-Fax and come in sets of 25. (Kleer-Fax #8000 series, stock number 81170.) The index is best set up in a table.

^{vi} Deposition transcripts are stored in a manila envelope which is hole punched to fit in the file. This portion of the file may also contain Requests for Production.

^{vii} All discovery documents are tabbed, assigned a number, filed by number, and added to the index. Because binders are used to organize discovery, the Kleer-Fax tab sets are three-hole punched.

^{viii} The exhibit index is a word processing document with five columns: Petitioner, Respondent, Description, Offered, Admitted. This allows the attorney to track each exhibit as it is offered and to note whether it is admitted. The Petitioner and Respondent columns are used to note the exhibit numbers (1-100 for the petitioner, 101 and up for the respondent.) As with the pleading index, the exhibit index is best set up as a table.

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