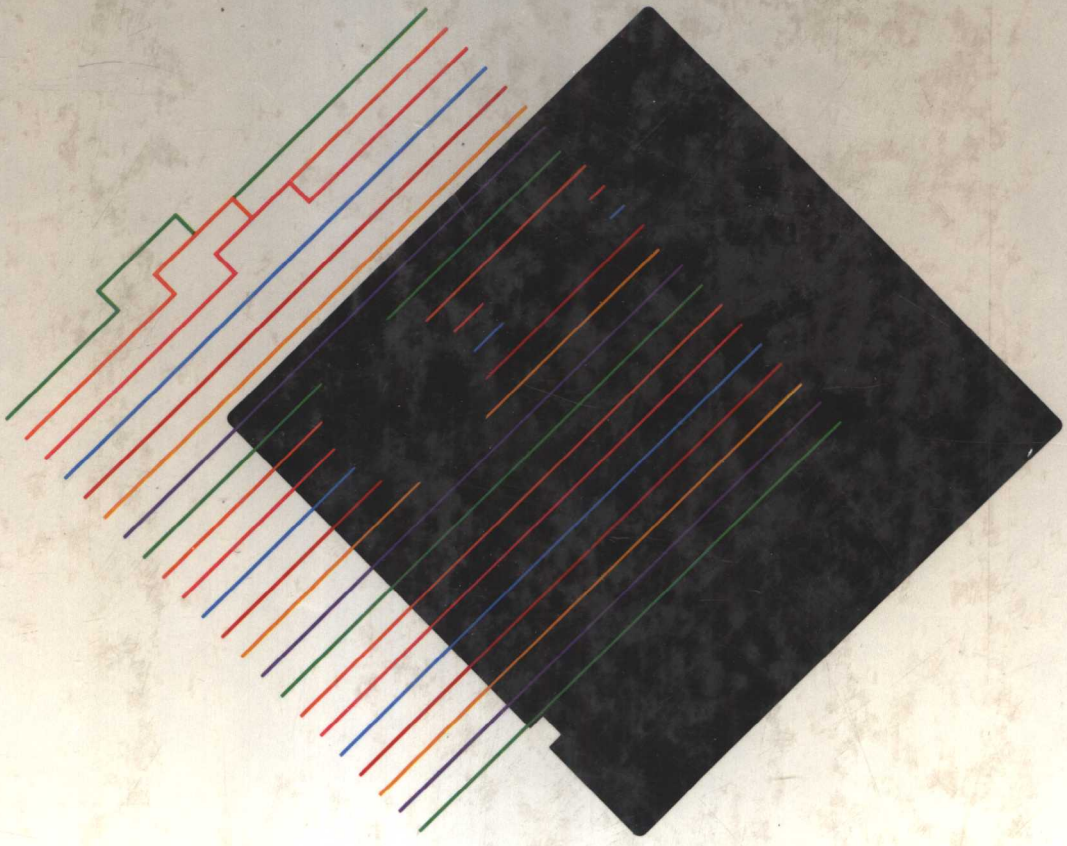
RECORDS and DATABASE MANAGEMENT



Stewart · Scharle · Hickey

Fourth Edition

RECORDS and DATABASE MANAGEMENT

COLLEGE SERIES

FOURTH EDITION

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RECORDS AND DATABASE MANAGEMENT,
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PREFACE

Not too long ago, all files were on paper. Then along came microfilm and microfiche, opening up a new world of records management. Now the personal computer is adding another dimension—the computer database.

The fourth edition of *Records and Database Management* will help you manage paper, film, and computer records. You will learn how to solve records and database management problems faced by employees in a variety of office occupations: administrative support, junior management, accounting, data processing, word processing, stenography, and records management.

Indexing Rules

Indexing procedures have changed since our third edition, *Filing Systems and Records Management*. Here again the computer database has had an influence. The Association of Records Managers and Administrators (ARMA) developed new rules so that you can apply standard indexing procedures when working with computer or paper files. All the indexing rules in this edition are compatible with the ARMA standards.

Computer Databases and Other Technologies

Chapter 4 shows you the special indexing techniques that apply to computer databases, while Chapter 6 teaches you how to manage records using an electronic database system. There is a chapter on setting up your electronic workstation, and our coverage of equipment includes supplies for electronic filing. Throughout the book you will find information that applies to the use of computer databases.

The chapter on equipment also lets you see how modern technology is making it easier to work with paper files and to develop film records. In addition, there is a full chapter on micrographics and advanced systems so that you will know your way around microfilm and microfiche records and equipment.

Records Management

Basic filing skill is essential to any type of effective records management. Chapters 7, 8, and 9 cover the essential topics of numeric, subject, and geographic filing. In Chapter 8, you'll also see how you can manage personal records, so you can be as efficient at home as you are in the office. The final chapter shows you how to analyze and design records management systems.

Practice Sets

Building good skills in records management requires lots of practice with records. There are two practice sets related to this text. One trains you in the use of manual systems. The other lets you manipulate and create records using a personal computer and Lotus or dBase III software.

Conclusion

Records and Database Management, Fourth Edition, prepares you for all of today's records management environments. If you work diligently through this text and the practice materials, you should acquire strong skills in basic filing procedures and develop competence in managing computer records. These abilities will impress many potential employers.

Jeffrey R. Stewart, Jr.
Judith Scharle
Judith A. Hickey

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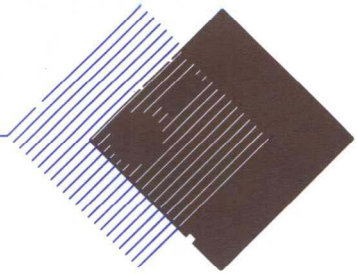


INTRODUCTION TO RECORDS AND DATABASE MANAGEMENT

COMPETENCIES

When you have completed this chapter, you will be able to:

1. State why filing and records and database management are important to you.
2. Define the terms *record, database management,* and *filing.*
3. State why records are necessary and give examples of records needed by businesses and individuals.
4. Name the two basic methods of storing and maintaining records.
5. Define the terms *correspondence, filing system, system, procedure, method, caption, database, backup, input/output, data, field,* and *file.*
6. List the four classifications businesses use to value their records and give examples of each classification.
7. List and describe the stages in the life cycle of a business record.
8. Compare the Freedom of Information Act with the Privacy Act and state why each is important in records and database management.
9. State why the *need to know* is important to the file worker.

10. State why office employees need to have a knowledge of records and database management.
11. Name five job titles in records and database management and list two duties of each.

There was a time when records management meant simply *filing,* or the storage, retrieval, and protection of business papers. It later included the creation, control, use, and disposition of records. With the advent of microcomputers, such as the personal or home computer, records management and filing have taken on new meaning and new procedures in business.

Responsibilities regarding records and database management are not delegated to one person within a firm. They are the responsibilities of everyone who handles business records. All office workers need to be aware of the importance of correct creation, storage, protection, control, use, and disposition of records.

For this reason, it is important that you study carefully the information presented in this textbook. It will help you handle your responsibilities on the job. Failure to classify, store, and retrieve records accurately and efficiently can result in records lost forever. This can be a serious loss to an organization.

RECORDS ARE NECESSARY

Without records, a business cannot function. They contain all the information vital to the day-to-day operation of the business or organization. Numerous studies have shown that businesses that lose their records through fire, disaster, or negligence cease to operate. When government agencies lose records, it often creates a hardship for private individuals who may need these records to prove date of birth, date of military discharge, or ownership of property. Medical records may be essential years later for reference or for identification purposes. An individual may want to return a defective piece of merchandise. Without the original sales slip to prove the price paid and the date of the purchase, this may not be possible.

Individuals who lose certain records may experience merely an annoyance. However, when a business cannot find records, it costs money and often goodwill. Businesses, as well as individuals, need to keep complete, accurate records for tax purposes. Failure to comply with the tax laws may result in fines or, in extreme cases, prison sentences. Accurate records of earnings, expenses, and deductions can result in substantial savings by avoiding the overpayment of taxes.

METHODS OF MAINTAINING RECORDS

Manual. You are probably familiar with some methods of maintaining and storing records. Each time you look for a number in the telephone directory,

you use alphabetic filing because names are arranged alphabetically. Your knowledge of the alphabet helps you to find the name you want. When you look for an auto repair shop in the classified section of the phone book, you use the subject method of filing. If you have a checking account, you are probably aware of the fact that the bank uses a numeric method of filing. Your car insurance policy has a number which is used by the insurance company to store your records. These are all methods for the manual filing of records. They have been used for years, and most people are accustomed to them.

In a manual system, the information that business needs to carry on vital activities is contained in various business *records* which are stored in *filing systems*. *Records* refers to all the information that is kept by an organization. It may be in the form of correspondence, cards, tapes, or microforms. *Correspondence* refers to any written communication that has not been designed to be placed in a card or forms file.

A *system* is a series of related steps followed in accomplishing a major office activity. A *manual filing system* is an arrangement of equipment and supplies to permit the storage of records according to a definite plan. A *procedure* is a series of related substeps performed to carry out part of the system. A *method* is the breakdown of a procedure into the steps by which the procedure is accomplished.

A *caption* is a name or number used to identify records for filing purposes. For example, if a letter is to be kept in the Brian Electronics Company file, the name of the business is the caption. A caption is typed on a folder label.

An alphabetic filing system uses business and special organization names (such as names of hotels, hospitals, educational institutions) and/or individual names as captions. Examples of alphabetic captions are *Bradley; Bradley, Edward C.;* and *Bradley Medical Supplies.*

A subject filing system uses the names of items or objects as captions. For example, subject captions might be *Automobile; Repair: Automobile;* and *Sales: Automobile.*

A numeric system assigns numbers to the business or special names and individual names. For example, Edward C. Bradley might be assigned *File No. 9706; Bradley Medical Supplies, File No. 9765.* Because these captions do not readily reveal the contents of the folder, an alphabetic card index is usually part of the numeric filing system.

A geographic system uses the names of places or locations (such as cities, towns, counties, states, or countries) as captions. Such captions might include *Richmond, Virginia: Bradley Medical Supplies; Winchester, Virginia: Aleck Motors.*

Computer. Both at home and in businesses and organizations, computers have become the rule rather than the exception when it comes to managing records. A software application assigned specifically for managing records is called *database* software. The task of maintaining these files in order to obtain, or retrieve, the data from them, requires a *database management* system.

Through the database management system, the computer user can retrieve information alphabetically, numerically, by subject, or geographically.

The data entered into the computer for it to process is called *input*. The input might be numbers or characters. Input is usually received through a keyboard or from a storage device such as a floppy disk.

The *output* is the information that the computer generates as a result of its calculations. Output may be printed on paper, displayed on a terminal, or stored on magnetic disks.

Database management is the action of storing and retrieving data. There are three aspects of database management: entering data, modifying or updating data, and presenting output reports. Database applications include maintaining employee lists and preparing payrolls, maintaining parts order lists and keeping track of inventories, maintaining customer lists and preparing bills for credit customers, and keeping track of the students at a school.

Information is usually stored in several different *files*. For instance, a business will often have a file of regular customers and a file of employees. Each file consists of a series of *records*, and each record contains information on an individual situation, such as one employee or one customer. Each record consists of several *fields* containing an individual item. For example, in an employee file, there is one record for each employee including a field for the person's name, a field for the address, a field for the Social Security number, and so forth.

A database management system must provide for the addition and deletion of records. For instance, a new employee may be hired and a new record generated, or an employee might retire or be fired and the record would need to be deleted. Provision must be made for updating or modifying records as well. If an existing employee moves, for example, the address would need to be changed in the record.

The main purpose of either a manual system *or* a database management system, of course, is to make it possible to retrieve meaningful and useful information from it.

CLASSIFICATION OF RECORDS

To determine the value of records and how long each should be kept, many businesses analyze and classify them as follows:

Vital Records. These records include legal papers of incorporation, titles to ownership, deeds, major contracts, property plans, reports to stockholders, minutes of directors' meetings, and insurance policies. They should never be destroyed because they are essential to the existence of the organization and are often irreplaceable.

Important Records. These include invoices, accounts receivable, sales records, quotations, financial statements, tax records, and certain correspondence.

They facilitate the routine of the business and are replaceable only at great cost and with much delay. If they are not being used, they may be transferred to inactive storage space. In a manual system, they are placed in containers that will keep them in good condition. In a computer system, a *backup* disk is made and stored away from the working disks. Microcomputers with hard disks generally use flopppy disks for storage of this type. A *hard disk* is a storage medium using rigid aluminum disks coated with iron oxide; hard disks have a much greater storage capacity than floppy disks. A *floppy disk* is a computer storage medium made of plastic covered with a magnetic coating.

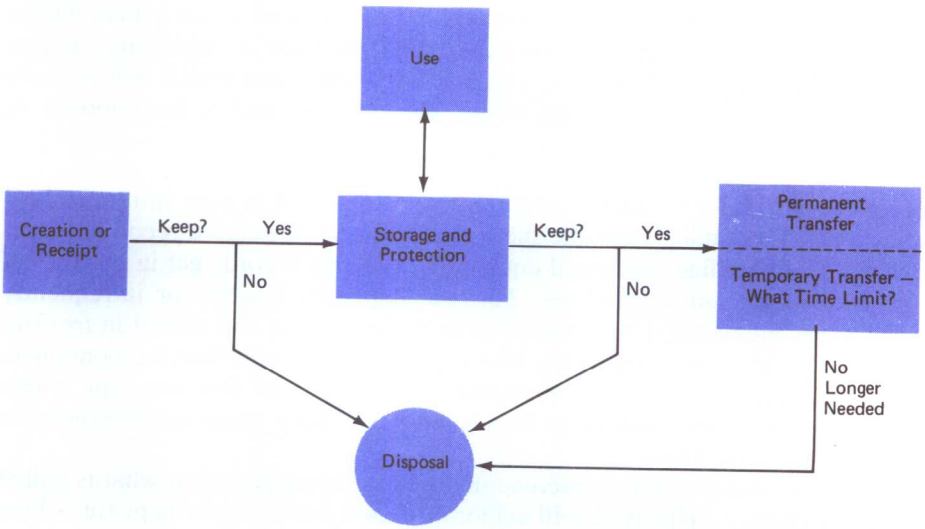
Useful Records. These records include some general correspondence, memorandums, and bank statements. They are temporarily helpful and are replaceable at slight cost. They are often destroyed from a few weeks to a year after they are received.

Nonessential Papers. These include routine inquiries, announcements, and acknowledgments. They should never be filed with more important records, and they may be destroyed after temporary use.

LIFE CYCLE OF A BUSINESS RECORD

A knowledgeable businessperson is not only concerned with how records make it possible to run a business at a profit but is also aware of the complete life cycle of each record and knows that some provision must be made for the eventual transfer and disposition of records.

LIFE CYCLE OF A BUSINESS RECORD



The life cycle of a business record has five stages: (1) creation or receipt; (2) storage, protection, and retrieval; (3) use; (4) transfer; and (5) disposal.

Creation or Receipt. A typical organization handles a staggering number of records daily. A large discount store, for example, will create hundreds of records every day—letters, advertising copy, accounting statements, purchase orders, sales slips, checks, receiving tickets, and so forth. That same store will also receive hundreds, if not thousands, of pieces of correspondence daily. These may be applications for credit, invoices, order letters, credit reports, price lists, catalogs, and so on. Workers spend hundreds of hours daily handling these records. Without the records, the business simply could not operate. Most records eventually find their way into one type of file or another, either a manual system or the database of a computer, so that they may be referred to when needed as a basis for important managerial decisions and action.

Storage, Protection, and Retrieval. When the decision is made to retain business papers, provision must be made for storing and protecting them during their useful lifetime. Some of these will go in filing cabinets and others will be maintained by computer. Size and shape, as well as use, will have a bearing as to how these records are maintained. For example, large blueprints in an architect's office will require equipment specially made for storing them. Papers such as legal documents are generally stored in insulated cabinets capable of withstanding extreme heat in case of fire. Any record worth retaining should be properly housed so that it can be located rapidly when needed and so that it is always adequately protected.

Use. Records are stored for one principal reason: use. Only records that will be needed for later reference are worth the time required to store them. Office space and filing equipment are too expensive to be used to "hide" papers that no one will ever use. Knowing which records will—and which will *not*—be used again requires knowledge about the business and a fair amount of judgment.

Transfer. As paper records become *inactive*—referred to only infrequently—they should be pulled from the files to make room for active records. Occupying valuable office space and equipment, inactive records get in the way of the efficient use of active ones. Periodically, then, inactive or infrequently used paper files should be removed from the main files and placed in *transfer files*. These files look somewhat like regular files, except that the containers are less expensive (usually pressboard containers), and they are kept in less accessible locations, such as the basement, where floor space is less expensive than in the main office.

Computer records which become inactive are often stored in what is called *archival storage*. This data will seldom be used but must be kept for a long

time. Archival storage is usually in the form of floppy disks or magnetic tape. Neither of these take up much space.

Disposal. The last stage in the records management cycle is the disposal of records. Of course, all records that no longer serve a useful purpose should be destroyed. The decision as to when records are to be destroyed is usually made by management. The policy is determined by legal considerations and by the special needs of the business. At any rate some definite plan should be set up by management for the periodic destruction of records that are no longer of value to the organization.

THE FREEDOM OF INFORMATION ACT AND THE PRIVACY ACT

A great deal of concern has been generated about the use of computers to process and store information, much of which is confidential in nature. There is concern that information may be released to individuals or firms and used for reasons other than those for which it was originally intended. Because the information that is maintained by computers is entered by humans, the capacity for human error exists. If the information is incorrect, the problem can be compounded. For example, if a bank record contains inaccurate information regarding an individual, the individual's ability to obtain credit elsewhere could be hindered if the information containing the error were released. It's possible that the error could even cause a collection agency to locate the individual's place of employment and have the person's wages garnisheed for a debt that doesn't exist.

As a result of errors of this kind, in the fall of 1974, the U.S. Congress passed two laws to protect the individual against misuse of information on file. These laws affect the work done by the records and database manager, as well as the file worker, in some situations. One of these laws is called the Freedom of Information Act. This law affects individuals and gives them the right to ask for information that pertains to them.

Records such as those kept by doctors' offices, hospitals, dental clinics, psychiatric offices, and educational institutions can be requested by an individual. Those records kept by lawyers, government agencies, counselors, priests and lending institutions and employment application files are available to you to read when you obtain permission from the organization maintaining those records.

At the same time, another law was passed called the Privacy Act. This law controls information which is readily available to the public. It serves to safeguard individual privacy. Your permission is necessary for someone to see your records.

As a result, we can say that the Freedom of Information Act allows you to see records about yourself. The Privacy Act limits those people who are allowed to see information contained in files about you.

What does this mean to a file worker? A records or database manager? It's

highly possible that any one of these workers may be responsible for files that are covered by these acts. People who request access to files need to be screened. If you held one of these positions, you might be in charge of checking permission granted to people who wish to use the files. It might also be your job to see to it that persons requesting various files sign a logbook before they are allowed to see the files. You might have the authority to refuse access to certain records and documents. Because of these responsibilities, you might have to qualify for a security classification in order to work for a government agency.

In addition to the laws which control access to the files, some businesses have files which they have determined contain confidential or secret information. These files are to be read and used only by those employees who have the "need to know" because their duties require working with this information. Charge-out systems for these files are strict and rigidly enforced. In most cases the files cannot be removed beyond a specified area after being checked out, and no copies may be made of the contents. The employee requesting the confidential or secret file must present proper identification or authorization to the file worker, or the worker must deny access.

EMPLOYMENT IN RECORDS AND DATABASE MANAGEMENT

The activities of every employee are influenced, in some way, by the records of an organization. That fact alone should stress the importance of records.

No matter what kind of office job you hold, you will have to work with records.

Those who work in the office are especially concerned with records—creating or receiving them and later finding and using them.

For most office workers, handling records is one of a number of job responsibilities. The secretarial position is an example of one that calls for filing and records and database management skills. The secretary is usually responsible for maintaining the employer's files and may in a small organization even have to set up a database or filing system for the organization or reorganize an existing system. The employer depends upon the secretary to find important information quickly. "Please get me a copy of the letter we wrote to Mendenhall Concrete Company about the new parking lot," is a typical request made of a secretary. No secretary should consider secretarial training complete without a thorough knowledge of filing and records and database management procedures.

Office records are used by other office workers as well. Typists, accountants, stenographers, word processing specialists, computer operators, and general clerical workers use paper files and the computer's database frequently. Even if these workers are not directly involved in filing activities, their effectiveness is increased if they understand the importance of systematic filing.

There are offices with centralized paper files which have full-time filing positions. Files are often kept in central locations, especially in larger organizations, because the centralization eliminates the need for duplication of records in separate department files. In this way, records are easily obtained by all departments that may need them for reference purposes. The specialized file worker is an important person in the operation of the office. Filing supervisors are sometimes hired to manage the filing department. Advancement is excellent. The advent of microcomputers has made records and database management a promising career for those with supervisory ability who wish to assume responsibilities.

The office manager should be well enough informed about filing techniques and records and database management to be able to determine such matters as the type of filing system to be used, the equipment to be purchased, and the personnel needed to maintain the files.

CAREERS IN RECORDS AND DATABASE MANAGEMENT

As you study records and database management, you may decide that you would like to specialize in this area of office management.

The *Dictionary of Occupational Titles* provides many job titles and descriptions which deal with classifying, sorting, and filing correspondence, records, and other data. The ones which follow will give you a general idea of the duties and responsibilities of each.

206.362-010 FILE CLERK I Files correspondence, cards, invoices, receipts, and other records in alphabetic or numeric order, or according to subject or other system.

206.137-014 FILE CLERK II Performs duties essentially same as those of FILE CLERK I, except that, in addition to putting material in and removing it from files, performs clerical work in searching and investigating information contained in files, inserting additional data on file records, making out reports, and keeping files current.
206.137-010 SUPERVISOR, FILES Records-section supervisor. Supervises and coordinates activities of workers engaged in maintaining central records files; directs and assists workers in searching for missing records, utilizing knowledge of common errors.
206.387-026 RECORDS CUSTODIAN Stores bank records and oversees destruction of outdated records. Transfers records by truck or other means from banks to storage facility. Stacks or shelves boxed or packaged records according to designated plan.
161.117-014 DIRECTOR, RECORDS MANAGEMENT Plans, develops, and administers records management policies designed to facilitate effective and efficient handling of business records and other information. Plans development and implementation of records management policies intended to standardize filing, protecting, and retrieving records, reports, and other information contained on paper, microfilm, computer program, or other media. Coordinates and directs, through subordinate managers, activities of departments involved with records management analysis, reports analysis, and supporting technical, clerical, micrographics, and printing services.
161.167-018 MANAGER, RECORDS ANALYSIS Directs and coordinates activities of workers involved with analyzing systems of records management. Plans and directs compilation and updating of cost and control records, utilizing knowledge of records inventories, usage, costs, and operating practices. Coordinates activities of personnel engaged in studying such matters as simplification of filing and retrieval systems, protection of vital records, and economical utilization of paper, microfilm, computer program, or other information-bearing media according to organizational and governmental record-keeping schedules and requirements.

Large organizations and businesses often employ one or more records managers in addition to records specialists and supervisors. These individuals usually have a four-year college degree and work as part of the management structure in the business. Their duties may include:

1. Analysis, creation, and coordination of business forms.
2. Analysis, creation, and evaluation of records systems, including database systems.
3. Planning and implementing micrographic systems.
4. Using the principles and techniques of records management to meet the needs of management.

The outlook for records and database management careers is, like that for most office occupations, very good. The current *Occupational Outlook Hand-*

book will give you up-to-date information about the nature of the work, places of employment, training, advancement, employment outlook, and working conditions. There are more than a quarter of a million persons employed in records and database management. Some of these positions can often be held on a part-time basis and are entry-level jobs leading to advancement. Because of business expansion and growing amounts of paperwork, opportunities for employment are plentiful in this type of career.

Records and database managers and other individuals who deal with records and information management may be members of the Association of Records Managers and Administrators, Inc. (ARMA). This is a nonprofit organization to provide guidance and to promote interest, research, and the exchange of ideas concerning records and database management. Many communities have local chapters whose members meet regularly to discuss topics and problems of interest.

GENERAL REVIEW

The following questions will help you to reinforce your learning of the competencies included in this chapter.

1. State why filing and records and database management are important to you. (Competency 1)
2. Define these terms:
   record database management
   filing (Competency 2)
3. State why records are necessary. Give six examples of records needed by business and individuals. (Competency 3)
4. Name the two basic methods of storing and maintaining records. (Competency 4)
5. Define these terms:
   correspondence database
   filing system backup
   system input/output
   procedure data
   method field
   caption file
   (Competency 5)
6. List the four classifications businesses use to value their records and give two examples of each classification. (Competency 6)
7. List and describe the stages in the life cycles of a business record. (Competency 7)
8. Compare the Freedom of Information Act with the Privacy Act. State why each is important in records and database management. (Competency 8)
9. Why is the *need to know* important to the file worker? (Competency 9)

10. Why do office workers need to have a knowledge of records and database management? (Competency 10)
11. Name five job titles in records and database management and list two duties of each. (Competency 11)

CASE PROBLEMS

1. Irene Buckbee is a dentist. She has her own practice. She admitted to her friend, John Martin, that she doesn't keep an organized set of records. John feels Irene should keep well-planned records. He feels she could benefit from a computer for that very reason. With which individual do you agree? Why? (Competencies 1, 3, 7)
2. Jerry Grotowski works for a large government agency. He feels that the keeping of records is more important to a large organization, such as the one where he works, than it is for a small one. Jerry's coworker Jennifer Johnson, disagrees. Who is right? Why? (Competencies 1, 3, 7)
3. Vicki Keller will graduate from college next year. She plans to go to work as a salesperson for her Aunt Rose's firm. She doesn't plan to take a course in records management because she doesn't think it will be of any benefit to her in her job. Do you agree or disagree with her? Why? (Competencies 1, 3, 10)
4. Your employer's motto is "When in doubt, throw it out!" in regard to records. Your former employer felt, "When in doubt, keep it!" when it came to filing correspondence and business records. Who is right? Why? (Competencies 6, 7)
5. Martha Hoffman works in the personnel department of a large retail firm. She needs to refer to employees' files from time to time. She resents the fact that the file worker who controls those files asks for her authorization to see the information she needs. She feels that under the Freedom of Information Act, she has the right to see those files. Is she correct? (Competencies 8, 9)
6. Uncle Henry thinks you should apply for a job in the filing department of the company where he works. Because you would like a career as a secretary or administrative assistant, you feel that working as a records specialist would hurt your chances for another job. Should you apply for the job as a file worker? (Competencies 1, 10)
7. When you started your college career, you were surprised to find that you would have a course in records and database management. You have been wondering why filing is so important that you must spend that much time learning about it. What have you learned in this chapter to convince you that records and database management is necessary to your career as an office employee? (Competencies 1, 3, 10, 11)