CHAPTER 2. FILING OPERATIONS

Section 1. How to Set Up Files

2-1 Arrange Files for Easier Disposition.

    A.   Keep inactive records separate from active records.
        Files are inactive when referred to not more than once
        a month per file drawer.

    B.   Cut off or break file regularly. End the files at
        regular times to permit their transfer, retirement, or
        destruction in complete file blocks. Use the cutoff
        instructions in the HUD records disposition schedules
        or General Records Schedules where they exist. Cutoff
        instructions are as follows:

        1.   Chronological sequence files are filed by period
            of account, usually fiscal year (e.g., accounting
            records). Records arranged chronologically cut
            off and retire in blocks.

        2.   Case or project files cutoff. At the end of a
            transaction or event (e.g., final purchase order
            payment, lease termination, or project
            completion).

            a.   A closed case file should be marked with the
                date of closing and placed in a separate
                inactive file. The inactive files can then
                be retired or destroyed in convenient fiscal
                or calendar year blocks.

            b.   Case files that continue over many years can
                be cut off by setting up a new folder each
                year and retiring the prior year folders
                which have little reference activity.

        3.   Subject files. A decision should be made on when
            to break them.

            a.   Subject files are cut off at the end of the
                calendar year or in three-year blocks.

            b.   Files that can't be closed out in three years
                should be screened to remove material not
                needed for current operations. The
                noncurrent material should then be destroyed,
                stored in another location, or retired to the
                Federal Records Center as allowed by the
                records disposition schedule.

        4.   Technical reference materials have no established
            cutoff. They should be destroyed when superseded,
            obsolete, or no longer needed. Review the files

annually to determine if they are current and still useful. Technical reference materials cannot be retired to a Federal Records Center.

C.   Keep nonrecord material separate from record material, permanent records separate from temporary records, and long-term temporary records separate from short-term temporary records.

D.   Do not interfile record series with different retention periods.

2-2 How to Set Up Case or Project Files

A.   Folders. Set up separate files for each program. Make a folder for each case or project. Use separate folders for large or bulky documents, as needed.

B.   Labels. Type the case/project number or code, name, and location in capital letters, just below the color band, if any.

   1.   Vertical files: Type the caption one space from the left edge of the label for standard folders to be filed in vertical file cabinets. Example:

          PFL-CALIF-63
          CARUTHERS WATER AND SEWER SYSTEM
          APPLICATION AND LOAN AGREEMENT (1)

                 2-2

   2.   Shelf files: Type the caption on the right edge to adapt standard folders to shelf filing. Example:

          CONSTRUCTION RECORDS   OKLA-3-2
          FAIRWAY CONSTRUCTION CO. CONST.
          LAWTON, OKLA.

2-3 How to Set Up Subject Files

A.   Folders. Use letter-size folders. Prepare a folder for each category in the office subject outline. Arrange the folders in the same order as shown in the outline.

B.   Labels. Type the file code (from the outline), title, and year in capital letters, just below the top edge of the label.

   1.   Vertical files: Type the file code and title one space from the left edge of the label for standard folders to be filed in vertical file cabinets. Example:

          PER 5-2   MERIT STAFFING
          CY 19XX

2.   Shelf files: Type the file code and title on the
          right edge to adapt standard folders to shelf
          filing. Example:

          MAIL & MESSENGER   ADS 5-1
          CY 19XX   MAIL & MESS.

2-4 Labeling Permanent Folders. The HUD records disposition
     schedules in Handbook 2225.6 provide for the eventual transfer
     of certain Headquarters subject and case/project files to the
     National Archives for permanent retention.

     A.   Type or write "PERMANENT" on each folder label to
           identify these files.

                              2-3

     B.   If the folder label is already covered with
           information, stamp or write "PERMANENT" on the front of
           the folder, preferably in the upper right corner.

2-5 How to Set Up Alphabetical Name Index Files. Divide the
     index file into three categories:

     A.   Interoffice. Prepare a folder for each HUD
           organization as needed. See Figure 4-1. Keep
           Headquarters organizations separate from State Office
           and Field Offices. To avoid preparing and filing lots
           of cross references, use combination folders labeled:

           1.   "INTEROFFICE" for correspondence addressed to
                 Headquarters and State Offices or Field Offices.

           2.   "HEADQUARTERS" for correspondence addressed to two
                 or more Headquarters offices.

           3.   "STATE OFFICES AND FIELD OFFICES" for
                 correspondence addressed to two or more State
                 offices or Field Offices. Make combination
                 folders for each State Office when filing large
                 amounts of correspondence addressed to two or more
                 Field offices within each State Office.

                                        Figure 2-1

                 SAMPLE FOLDER HEADINGS FOR INTEROFFICE FILES

                 INTEROFFICE

                 HEADQUARTERS

                 SECRETARY
                 ADMINISTRATION, ASST. SEC.
                 COMMUNITY PLANNING & DEVELOPMENT, ASST. SEC.
                 FAIR HOUSING & EQUAL OPPORTUNITY, ASST. SEC.
                 GOVERNMENT NATIONAL MORTGAGE ASSOCIATION
                 etc.

REGIONAL AND FIELD OFFICES

REGION I, BOSTON
HARTFORD OFFICE
etc.

2-4

B.   Interagency. Prepare a folder for each Government
      agency the office corresponds with regularly. Use a
      combination folder labeled "INTERAGENCY" for
      correspondence addressed to two or more agencies. see
      Figure 2-2 for sample folder headings.

Figure 2-2

SAMPLE FOLDER HEADINGS FOR INTERAGENCY FILES

INTERAGENCY

AGRICULTURE
GENERAL SERVICES ADMINISTRATION
INTERIOR
OFFICE OF PERSONNEL MANAGEMENT
etc.

C.   Other (A to Z). These files contain communications
      addressed to individuals, organizations, States, and
      cities. Start with the following folders and expand as
      needed:

A to E
F to J
K to M
etc.

2-6 How to Set Up Followup Files

A.   Using extra copies of correspondence: Number 31 folders
      (from 1 through 31) to represent the days of the-month.
      Then prepare a set of 12 monthly guides from January
      through December. Place the day folders in a file
      drawer behind the guide for the current month. See
      Exhibit 2-1.

B.   Using 3" x 5" cards: Enter the pertinent information
      (e.g., date, subject, file classification) on the 3", x
      5", cards. Arrange them in the same way as Exhibit 2-1.

2-7 Arranging Labels on Folders. Arrange labels on the folders
     in - a straight line (not staggered) for faster filing and
     finding.

A.   For vertical files: Place folder labels on the left
      edge of straight-cut folders to be filed in drawers.

b. For shelving: Drawer folders can be used in shelving by
    placing the labels on the right edge of the folders to
    make them visible.

2-8 Drawer Labels. Label all drawers. On each label, show the
     folder headings of the first and last folders in the drawer
     and the period covered.

Section 2. How to Prepare Records for Filing

2-9 Filing Authority. Filing authority indicates that action
     has been completed on a document is ready for filing. The
     file custodian is responsible for filing material without
     authority. When you receive material for filing, check for
     the proper authority:

A. For an incoming document which does not require a
    reply: The person releasing the material for filing
    should mark on the document the word "FILE," the date
    and their name or initial as the filing authority.

B. For a reply with the incoming correspondence attached:
    Consider the signed and dated official record copy as the
    proper authority for filing.

2-10 Completeness of File Material. Before filing, check all
     material for completeness.

A. When filing correspondence:

    1. Make sure the official record copy of outgoing
        correspondence is signed and dated.

    2. Staple these documents behind the official record
        copy in this order so they can be filed as a unit:

        a. Enclosures or attachments mentioned in the
            outgoing correspondence.

        b. Original incoming correspondence with any
            enclosures or attachments.

    3. If previous correspondence is involved, combine it
        with the current record, using a Continuity
        Reference (par. 2-15) .

    4. Make sure other office file copies (e.g., name
        index or chronological copies) are received for
        filing and are signed and dated.

B. Follow up with the originator if the action is complete
    but an essential document is missing.

1. If the missing document is not yet available for filing: Attach a statement to that effect and file it with the material. Keep a suspense file on missing documents and follow up again within 10 days.

2. If the missing document is being kept elsewhere: Note on the rest of the material where it may be obtained and file the material.

2-11 Classifying. Classifying a document involves determining its proper file code. File codes (letters and numbers) are used to indicate where the document should be filed.

A. Project or Program Files. Project documents may contain one or more subjects, but are filed by project number. Within the folder, the material may be divided by subject. Classify the official record copy of project documents (or the incoming if no reply is required) as follows:

1. Underline the project number, if any, with a red colored pencil. The project number may consist of the State name or abbreviation, the program initials, and a number. Then determine the main subject and write it in the upper right corner. See Figure 2-3.

2. If not mentioned in the document, write the program initials and project number in the upper right corner.

2-7

Figure 2-3

CLASSIFYING PROJECT/PROGRAM FILES

LOAN
April 22, 19XX   MANAGEMENT

Mr. James Smith
City Hall
810 Union Street
Norfolk, VA 23510

Dear Mr. Smith:

Reference is made to your April 19, 19XX, letter regarding repayments on Norfolk water revenue bonds, our project number VA. PFL 19.

B. Subject Files. Read each document to determine its subject. Select the most fitting file code from the office subject outline. Write the code in red pencil in the upper right corner of the official record copy (or on the incoming material if no reply is required).

1. If the document contains more than one major
   subject: It should be filed under the most
   important subject and cross references made for
   the others. See par. 4-14.

2. If the subject cannot be identified: Ask the
   originator for additional information. Do not
   guess.

C. Alphabetical Name Index. Classify the index copy in
   the same way as the project or subject material. In
   addition, underscore the addressee with a red pencil
   [e.g., HUD office, Government agency, individual
   (surname), organization or public body to which
   addressed].

2-8

2-12 Cross Reference. A cross reference is a tool for finding a
record by reference to a name or subject other than the one
the document was filed under.

A. When to Use Cross References. When a document contains
   more than one important subject, it should be filed
   under the most important one and cross references made
   for the other subjects. Limit cross references to
   those essential to finding the document. Use cross
   references when:

   1. A document may be classified correctly under more
      than one subject or project.

   2. Requests will probably be made by a second subject
      or project number.

   3. The material won't be found in the file by logical
      deduction alone.

B. Marking the Document to be Filed

   1. Write the file code for the most important subject
      in the upper right corner. Immediately below it,
      write the file code for the other subject(s) and
      mark an "X" in front of each to show that a cross
      reference is to be made. Example:

                    ADS 9
                    X PRO 6

   2. When the cross reference has been completed, place
      a check mark after the "X" line on the document to
      be filed. Example:

                    ADS 6
                    X PRO 7

C.   How to Prepare a Cross Reference. Use Optional Form
     21, Cross Reference (Exhibit 2-2). Prepare as many
     cross references as there are subjects marked with an
     "X" on the document to be filed. Fill in the proper
     information opposite each item on the form:

     1.   Under Cross Reference: Show the file code under
          which the cross reference is to be filed.

     2.   Under Brief Summary of Contents: Type a clear and
          concise summary of the subject content which
          contains all necessary information.

2-9

2-13 Continuity Reference. Continuity references are used to
     indicate that an earlier record has been brought forward in
     the file to be combined with more recent records.
     Continuity filing brings together all material in the
     subject files related to a specific action.

     A.   Fill out an Optional Form (OF) 22, Continuity
          Reference, for the material to be brought forward
          (Exhibit 2-3). File the OF 22 in its place.

     B.   Assemble the records in order of date with the most
          recent on top. Staple the combined records together in
          the upper left corner as a reference unit and file.

2-14 Sorting and Arranging Material for File. Sorting is the
     process of separating correspondence and other documents
     into groups for filing according to the classification
     system. Sorting and arranging keeps records in logical
     order for possible requests before they are filed and speeds
     the filing operation. Follow these sorting procedures:

     A.   Use desk trays and other sorting devices when needed to
          speed the sorting and filing process.

     B.   Remove clips, extra copies, mail control forms, and
          envelopes. Do not file transmittal slips unless they
          contain essential information not recorded elsewhere.

     C.   Repair torn pages with transparent tape.

     D.   Sort the material into basic groups as follows:

          1.   Project or Program Material. Separate by program
               and arrange alphabetically by city within State,
               numerically by project number, by proper subject
               breakdown, and chronologically with the latest
               date on top.

          2.   Subject Material. Arrange alphabetically by
               primary subject category, numerically by code
               number, and chronologically with the latest date
               on top.

3.   Name Index Material

    a.   Interoffice. Arrange alphabetically by each
       organization addressed, and then
       chronologically with the latest date on top.

    b.   Government Agencies. Arrange alphabetically
       by Department or agency, and then
       chronologically with the latest date on top.

    c.   Individuals, Firm Organizations. Arrange
       alphabetically by surname for individuals,
       firm name, organization, municipality, or
       locality, and then chronologically with the
       latest date on top. See Appendix 2, Rules
       for Alphabetical Filing.

4.   Technical Reference Material. Don't overburden
    files by interfiling technical reference material
    with correspondence. Set up separate files for
    reference materials (e.g., printed items and
    periodicals). When filing publications, reduce
    the volume by discarding the oldest issue as the
    latest is added.

5.   Chronological or Reading Files. Arrange material
    filed chronologically with the latest on top.

Section 3. Filing Rules and Procedures

2-15 General Filing Rules. Filing is the act of placing records
into filing equipment using an established system. If the
material has been sorted and arranged properly, it should
parallel the actual arrangement of the files themselves.
When filing, follow these general rules:

A.   File daily. Do not let material accumulate.

B.   Use filing aids to speed work (filing shelf, stool,
    sorters, etc.).

C.   In general, file documents in the same way as they were
    sorted. See pars. 2-18 through 2-22 for additional
    filing instructions for specific types of files.

D.   File material loose in folders unless prong fasteners are
    needed to subdivide material or to avoid loss when the
    entire folder is charged out.

E.   Be consistent when punching holes in documents to be
    fastened in folders. maintain a uniform setting for all
    punches. Align all papers neatly in the file.

F.   Make sure unrelated papers are not caught under fasteners

and filed in the wrong file.

G.   Don't pull folders out of the drawer by the tabs. Instead, grasp the entire folder.

H.   When filing, pull the folder up halfway and insert the material. Don't remove the folder completely unless using fasteners.

I.   Avoid misfiles. Match the material being filed with the file code on the folder label before putting it in the folder.

J.   Place the top of the sheet toward the left of the file drawer as you face it, so that all documents can be read as a book.

K.   Crease the scoring on the bottom of the folder when needed as the file grows.

L.   Cut off a folder when 3/4" thick. Prepare and use a new folder with an identical label but a new date. Show the inclusive dates (starting and ending) on both folder labels. File the new folder in front of the old.

M.   Keep files neat and orderly. Replace soiled labels and torn folders.

N.   Avoid overcrowding file drawers. Leave working space in each drawer.

O.   Fully use all drawers in file cabinets and all shelves in shelf units.

P.   Observe safety practices. open one file drawer at a time to keep file cabinets from tipping over. Close all file drawers when you are finished filing. Use a step stool to reach files on the top shelf.

2-16 Project Filing. Don't file duplicate documents which HUD clients may submit several times in the course of a project. Instead, cross reference the file code where the material was first filed. Fasten project material in the folder only if necessary. Handle oversize, bulky, or special documents as follows:

A.   Construction Contracts. Place bulky material in an expansible wallet-type folder (jacket) and file behind the Construction Contracts folder.

B.   Construction Contract Plans. File plans alphabetically by State and numerically by project number in a plan file or plan rack. Write or type on a 2-5/8" shipping tag the exhibit number (if any), name of State,

locality, project number, date of submission and program.

    C.   Maps, Exhibits, Bulky Material. Identify, by project number, bulky and oversize maps and exhibits submitted as part of an application. Place this material in an expansible wallet-type folder (jacket) and file it behind the application folder.

    D.   Photographs. Prepare a separate photograph folder for each project. In a separate cabinet, file photographs alphabetically by State and city and numerically by project number.

2-17 Subject Filing. File subject material loose in the folder. Staple related material together and use Continuity References for material brought forward.

    A.   Expansion. When 20 or more documents accumulate on any one topic within a primary folder, remove the material and prepare a separate folder for it. Revise the office subject outline to include the new file category set up for the folder.

    B.   Bulky Material

        1.   Mark the bulky material to show where the related papers can be found in the main file. File bulky material separately in suitable equipment. Keep it in file code order.

        2.   Note on the related correspondence where the bulky material can be found. If no correspondence was sent with the material, prepare a Cross Reference sheet and file it in the proper subject category to show where the oversize material is located.

2-18 Alphabetical Name Index Filing

    A.   Interoffice. File the index copies of correspondence addressed to two or more offices in the proper combination folder (see par. 2-6A). Do not use Cross References.

    B.   Interagency. File the index copies of correspondence addressed to two or more Government agencies in the combination folder labeled "INTERAGENCY."

2-19 Filing Press Clippings. Clippings from newspapers or periodicals may be filed by subject matter, in separate clipping file, or in scrapbooks. Make sure each clipping shows the name of the newspaper or periodical and the date of the issue from which it was taken.

A.   Mounted on Bond Paper. Mount clippings of less than
     8-1/2" x 11" on regular bond paper. File in the subject
     or project file in the same way as correspondence. If
     filed by subject, interfile them with related materials
     under the same file code.

B.   Unmounted in Pockets. Pockets can be made to store
     groups of unmounted clippings:

     1.   Staple a folder at the sides to form a pocket, or

     2.   Make a pocket inside a folder. Staple a piece of
          heavy paper (folder width and about 4" or 5" high)
          to the sides and bottom of the inside of the
          folder to form the pocket.

2-20 Filing Transitory Correspondence. Transitory correspondence
     is temporary material. Examples are routine transmittals of
     publications and other informational material. Keep
     temporary material in a separate file to avoid searching
     through useless material and to make disposal easier.

2-21 Handling Electronic Storage Media (e.g., Diskettes). Files
     management principles also apply to the handling of
     electronic storage media, such as diskettes for
     microcomputers. In general, each office should have a
     scheme for keeping them orderly and easy to find. Also, old
     documents should be purged from the media periodically, just
     as old paper files.

A.   Transient Versus Long Term Material. An example of
     transient material is correspondence which can be
     erased once the original is signed and sent. Handbooks
     which are updated periodically or standard paragraphs
     used over and over are examples of long term material.
     Recommendations for handling this material:

     1.   Record transient material on a separate diskette
          from long term material since it will be purged
          much sooner.

     2.   File diskettes with long term material apart from
          those with transient material. Diskettes with
          long term material are often stored with the
          related paper for easier reference and update.
          This may require different filing equipment.

                         2-14

     3.   Duplicate diskettes with long term material. Store
          the duplicates in a safe place away from the
          original diskettes.

B.   Indexes. When a diskette is used, an index of its
     contents should be recorded as a finding aid. The index
     should be run off on a plain sheet of paper and placed in

the envelope with the diskette. The index should be updated each time material is added to or deleted from the diskette.

C.   Rules for Proper Handling. Diskettes need to be handled cautiously, or they may be damaged. Keep these rules in mind:

1.   Don't bend or fold diskettes even slightly, because this may crack the delicate magnetized ferrous oxide surface.

2.   Don't use rubber bands or paper clips on the diskettes because this may warp or dent them.

3.   Don't allow diskettes to get wet. If this ever happens, wipe them clean gently and allow them to dry before using.

4.   Don't touch or clean the exposed diskettes surface (notch).

5.   Don't expose diskettes to excessive heat or sunlight. Keep them at room temperature.

6.   Don't place heavy objects on diskettes.

7.   Don't write on diskette labels with ball-point pens or pencils because this may scratch the surface beneath the cover. Use a felt-tip pen ox use a new label.

8.   Don't erase labels attached to diskettes. Mark out with a felt-tip pen or use a new label.

9.   Don't "Pack" diskettes together or jam them into a too small box. Use a proper box and store them vertically.

10.   Don't leave diskettes outside their protective jackets. The exposed part of the diskette should be protected from dust, smoke, food particles, spills, etc.

11.   Don't put the diskette on or near anything magnetic or electric, including laying it on top of the microcomputer itself.

2-15

Click Here or type Alt-p to LINK TO PDF FILE OF EXHIBIT 2-1, SAMPLE FOLLOWUP FILE.

2-16

Click Here or type Alt-q to LINK TO PDF FILE OF EXHIBIT 2-2, OPTIONAL FORM 21, CROSS REFERENCE.

LINK TO PDF FILE OF EXHIBIT 2-3, OPTIONAL FORM 22, CONTINUITY
REFERENCE.

2-18