

CLASS XII

STUDY MATERAIL

OFFICE PROCEDURES AND PRACTICES

ACKNOWLEDGEMENTS

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P R E F A C E

Today, a Private Secretary has acquired the status of Manager's Manager and it has become important for her/him to use all office methods/practices and modern technology with a global perspective. Due to change in the profile of secretarial work, the competency level expected from a professional secretary to manage an office effectively and efficiently has gone up drastically. In addition to routine clerical jobs, today a professional secretary is also responsible for wide range of administrative activities performed in an office.

The study material presented in the book covers contents which relate to changing profile of a modern professional secretary so that students gain not only knowledge but also understanding and application of different secretarial functions.

An in-depth understanding of different secretarial functions covered in the book will definitely prove to be a useful resource in building confidence among those students who wish to enter into a world of administrative work.

The expert committee look forward for any corrections, inclusions and suggestions to improve the contents of the subject material.

Executive ability is deciding quickly and getting somebody else to do the work.” John G. Pollard

Unit-I

INTRODUCTION TO SECRETARIAL PRACTICE

Introduction

A **Secretary** or **Personal Assistant** is the backbone of an organisation, whose work requires a variety of project management, communication and organizational skills. The work profile of a Secretary of today is not the same as was in decades past. The job responsibilities have evolved to acquire much more advanced skill set such as mastering Microsoft Office applications, drafting correspondence, preparing presentations, managing budgets, maintaining websites, preparing expense reports etc. Secretaries might also manage all the administrative details of running a high-level conference or meeting and be responsible for arranging the catering for a lunch meeting. Often executives will ask their assistant to take the minutes at meetings and prepare meeting documents for review. In addition, a secretary may be responsible for keeping all of the official records of a company or organization. Hence, Secretary is an assistant to an executive, possessing mastery of office skills who is supposed to have an ability to assume responsibility without direct supervision, the one who displays initiative, exercises judgement and makes decision within the scope of his/her authority. In other words, a Secretary is an assistant who performs routine and special duties on behalf of an Executive (Boss) in an office.

Objectives

At the end of this lesson you will be able to:

- know the meaning of the term Personal Assistant/Private Secretary
- understand different types of secretaries
- list out the nature and duties of Secretary
- identify the qualifications and personal qualities of a Secretary
- understand what broadly includes in personality development
- manage time and stress in an organisation

1.1 MEANING, IMPORTANCE, TYPES AND DUTIES

Meaning

The word secretary is derived from the Latin word “Secretarius” which means “a confidential person”. As the word conveys an idea of secrecy, the title of Secretary is generally used to apply to an official who conducts confidential correspondence and performs such works. However, in today’s world, the duties of a Secretary have become so varied that a modern secretary is no longer just restricted to performing confidential work. A Secretary is, also sometimes called Personal Assistant, Executive Assistant or Professional Secretary Etc. and considered to work for CEO, Chairman, Managing Director, Chief Manager, departmental heads and so on.

Today, the profile of a Secretary has completely changed. A Secretary has to be responsible person to whom an executive can delegate his/her routine duties, entrust confidential matters with full confidence to act on his/her behalf whenever necessary.

A Secretary is appointed to assist executives in all types of organization; whether commercial, manufacturing, industrial, educational or any other type. However, the functions and duties of a Secretary vary according to the nature and size of an organization. Basically, every Secretary has to perform certain routine duties. In an organization, generally, a Personal Assistant is a junior official who has to perform the duties of a front Office Assistant or a Stenographer, whereas a Private Secretary is usually attached to a Top Executive who has to perform such duties which require higher level of secretarial skills. He/She is considered as a link between the executive and the junior officials to facilitate implementation of the decisions taken. Now-a-days, every Private Secretary is supposed to

be administrative specialist and well trained member of an office team.



Importance of a Secretary

A Secretary is considered to be the backbone of an organization and plays an important indispensable part in the conduct of business in Government, professional, commercial and industrial organizations of all kinds. The secretary attends to the time-consuming details of the work of the executive and helps him/her to do the job in a better way. It is the secretary who takes care of office mail, prepares the drafts, answers the phone calls, do record management, makes tour programmes, operates bank transactions, arranges meetings and prepares minutes of meeting.

It is well said that the success of an executive mainly depends on the competence of his/her secretary. There is always an able secretary behind an able executive. A secretary not only does what he/she is told to do but also does whatever is required for the proper discharge of the assigned tasks. The secretary's job is not limited to carrying out the instructions but his/her responsibility is also of advising the executive on various administrative matters whenever required. At times, a secretary serves as the ears, eyes, memory and hands of the Executive.

Types of Secretaries

In general, the word 'Secretary' is used according to the nature of duties assigned to the official in an organization. The different type of secretaries are:

- a) Private Secretary (or Professional Secretary)
- b) Secretary to a Club or an Association
- c) Secretary appointed by Govt. (Central and State Govt.)
- d) Company Secretary

Let us discuss the profile of each type of Secretary.

a) Private Secretary

Private Secretary (PS) is an administrative associate or assistant who performs various administrative duties in an office. A Private Secretary is an official to whom the executive delegates most of his/her routine duties. These tasks usually include taking dictation and typing, handling correspondence, attending telephone and visitors, making arrangements for meetings, keeping important and confidential records etc. It helps the executive to discharge managerial duties efficiently and effectively. Thus, a private secretary is supposed to be the person who should be very well organized and possess excellent communication skills both oral and written to perform routine multiple tasks. A private secretary also may be called as Personal Secretary or Personal Assistant (PA). He/she is mostly employed by business executives, politicians, professionals and other important persons who need secretarial help to attend to their routine repetitive works so that they could concentrate on those jobs which require higher level of managerial and decision making skills.

b) Secretary to a Club or Association

The members of Managing Committee select unanimously and appoint a Secretary to perform various administrative tasks to run the office of a Sports Club, Cultural Club or an Association (Trade Union, Cooperative Society etc). The appointed Secretary performs the tasks strictly under the guidance, supervision and control of the Managing Committee. He/she is responsible for correspondence, maintenance of records, registration of members, arrangement of social gatherings and meetings, collection of subscription etc. He/she issues notices and agenda of meetings, writes minutes, releases press notes and acts as a Liaison Officer of the Club/Association.

c) Secretary Appointed by Govt.

In India, every Ministry is headed by a Minister. Though the Minister is the head of a Ministry, a Secretary is appointed through Indian Administrative Service, who acts as an executive head of the ministry. He/She is a very senior official of the government. Here, the main role of the Secretary is to diligently assist and advise the Minister on all matters of

policy and administration within his ministry or department. The Secretary is assisted by Joint, Deputy and Under Secretaries.

d) Company Secretary

Every incorporated company must have a Company Secretary who performs a variety of tasks which are crucial for smooth running of the company. In other words, it is the duty of the Company Secretary to ensure that in the company, all legal/statutory requirements are fulfilled. Such requirements include allotment of shares, transfer of shares and appointments, filing of the annual returns and accounts etc. as per the Companies Act. Briefly, a Company Secretary has to-

- ensure that the company complies with all relevant statutory and regulatory requirements;
- carry out the responsibility that business of the company is conducted in accordance with its objects as contained in its memorandum of association. Also, it is to be ensured that affairs of the company are managed in accordance with articles of association and the provisions of the Companies Law.
- prepare the agenda in consultation with the Chairman and the other documents for all the meetings of the board of directors.
- take care of all matters concerned with the allotment of shares, and issuance of share certificates including maintenance of statutory Share Register and conducting the appropriate activities connected with share transfers.

Basically, a Company Secretary ensures compliance of the provisions of Companies Law and other statutes and bye-laws of the company.

1.2 CHANGING PROFILE OF A SECRETARY

In view of global era and development in IT skills, work profile of secretary has entirely changed. Earlier, even the managers at junior level were also taking secretarial help in order to discharge their duties. But since the advent of computers, usually the junior and, to some extent, middle level managers are performing most of their routine administrative jobs like preparing letters, sending of mails, record management, etc. on their own. However, top management level and senior executives do have to delegate their routine administrative tasks to their private secretary. With this change in scenario, it is evident that the secretarial work

requires lots of expertise and skills as usually every Private Secretary has to directly report to senior executives in an organization.

It is generally noted that no two private secretaries perform exactly the same work. Therefore, one cannot lay down an arbitrary list of duties. A PA/PS to a junior executive has to work as a Front Office Assistant, Stenographer, Multi-Tasking Assistant etc. while a PA/PS to the senior executive has to collect information on different topics, draft reports and speeches, write down the proceedings of the meetings/seminars and give advice to the executive on certain administrative matters. That is why a definite list of duties of a PA/PS cannot be laid down.

Usually, the duties performed by a Private Secretary depends on the—

- skills, personality and intelligence of a secretary
- size of an organization where the secretary is working.
- position of the executive with whom the secretary is working.
- willingness of the executive to delegate authority and the secretary's willingness to assume responsibility

The duties of a Private Secretary may be divided in two types:

- a) Routine Office Duties
- b) Miscellaneous Duties

The above duties are discussed in detail below.

Routine Office Duties

- i) Take dictation and transcribe the same on computer.
- ii) Tabulate data, make simple calculations etc.
- iii) Do correspondence with other organizations on the instructions of the boss
- iv) Take initiative for briefing the information to the executive.
- v) Handle inward and outward physical mail/e mail.
- vi) Maintain records
- vii) Operate office machines and do their maintenance.
- viii) Maintain appointment diary, memory aids, etc.
- ix) Locate information from various sources including internet



- x) Arranging and planning tour programme of the executive
- xi) Organizing and conducting Meetings (Preparation and issue of notice and agenda, making seating and refreshment arrangements, keeping ready all the documents which may be required during the meeting, keeping record of attendance of the members, recording minutes, typing minutes and communicating the decisions and resolutions to the members etc.)
- xii) Attending to liaison duties like telephone calls, visitors, handling enquiries



Everyday some new may jobs come up and they are to be managed according to the priority. The best way to finalize priorities is to consult with the executive. For example, connecting telephone calls can be given priority in the forenoon. This will be applicable in taking down dictation also. Dictation must be transcribed on the same day as some

instructions pertaining to dictations might be forgotten which remain fresh during the day. The most important thing is to ensure that pre-determined deadlines which are time bound are adhered to.

Private Secretary has to handle the visitors who come to see the boss. An efficient PA/PS should be familiar with the art of meeting people and receiving them. The manner of dealing with them reflects the image of your executive and organization. .

Miscellaneous duties

Private Secretary has to perform some miscellaneous duties, like to:

- prepare Power Point Presentations on various topics
- work as Data Entry Operator
- present the concise information when the officer has to sit for an interview
- draft the reports and speeches for meetings and workshops, etc.
- supervise the junior employees and their training, etc.
- act as a liaison officer between the employer and the employees.
- advise the executive on purchase of office machine/equipment and stationery, etc.

In order to perform the secretarial duties the most efficiently and effectively, it is necessary for a Private Secretary to be competent in IT and secretarial skills. Today, an efficient Private Secretary is a combination of secretarial plus managerial skills, as she has to often report directly to senior executives and take care of multiple administrative responsibilities.

1.3 QUALIFICATIONS AND PERSONAL QUALITIES OF A SECRETARY

With increasing complexities of administration and competition, a Secretary has become an indispensable person. Much of secretarial work is carried on behind the scene and is not noticed at times. The credit for his/her work generally goes to the executive with whom he/she is attached.

To perform the secretarial duties with confidence and efficiency, a private secretary requires many qualities and skills as well as a wide general education. These qualifications and qualities are discussed below.

a) Academic Qualification

The education develops the mind of a person and enables a person to appreciate better the total environment. A senior level secretary is usually a graduate. However, for the post of a junior secretary, XII class qualification is also adequate. One holding a junior secretarial position and aspiring to reach higher in the cadre do effort to acquire higher qualification by joining correspondence courses along with the job.

It is generally said that, the more the education, the greater is the awareness and better power of understanding, grasping and expression.

b) Vocational Course of Secretarial Practice or Office Management

A course in Secretarial Practice is a very useful attribute for a Private Secretary. Opportunities for high level secretarial jobs and promotion comes often to those who have broad general education with a vocational course in Secretarial Practice or Office Management. The course includes mastery of various subjects viz. stenography, computer operation, office procedure, business communication, etc.

c) Mastery of IT and Secretarial Skills

A Private Secretary must have a complete mastery of some basic skills which are the essential tools of his/her trade. Complete knowledge of word processing, preparation of spreadsheets, using internet, locating information from various sources, sending e mails etc. is a must. Besides, he/she must be able to take dictation rapidly and transcribe the same accurately. He/she must be fast and accurate on the computer. The letters and other material typed by them should always be neat and well-arranged along with flair to present error-free work for signature, except in those cases where only a rough draft is called for.

Other secretarial skills include mastery on record management, reprography, ability to write correctly and to the point, to answer telephone calls, to deal with visitors, to meet people and talk with them pleasantly.

To be able to assist top executives, locating information on a variety of topics for him and dealing with a variety of people coming into the office, one should have knowledge of the recent development in political, economic and social fields and have an awareness of national and international events. It can be achieved by regular reading newspaper, periodicals, journals and magazines.



d) **Good Communication Skills**

A large part of secretary's work consists of correspondence and preparation of notices, agenda, minutes, reports, speeches etc. Therefore, to be a successful secretary, one should have a good command over the oral and written communication skills. The business in a majority of offices in India, is carried on in English. In this global era, English also serve as a language of commercial contact between different countries. Therefore, a secretary should have sound knowledge of English. Skill in shorthand is of no use without proficiency in language.

A secretary should preferably have the knowledge of the regional language too. If the organization has dealings with foreign institutions, it will be an advantage to have a working knowledge of one or more foreign languages also.

Personal Qualities of a Secretary

A secretary should possess a variety of soft skills to be successful and develop calm, positive personality. Some of the important personal qualities relevant for the job a private secretary are discussed below:

- **Adaptability**

If Private Secretary has got the quality of adaptability, adjustment under all the situations in office becomes easy and less straining. It is important that a private secretary should be adaptable to all kinds of people, situations and problems. Sometimes, it may happen that one executive is transferred and the new executive takes over. The new executive might not be having the same nature or temperament. Also, there may be heavy work at one time due to certain deadlines but may not be much work at any other time. Thus, a secretary should inculcate the habit of adjusting with different types of persons/situations.

- **Cooperative Attitude**

In an organization, cooperativeness means assisting every member with a courteous and helpful attitude including exercising self-control at times of extra pressure. It is teamwork that counts in an organization. A secretary should cooperate with every member of the organization, from the highest to the lowest in rank. Cooperativeness enhances the respect of the secretary. The urgency of work may require, sometimes, to sit late in the office or to

attend office during holidays. If the exigencies of work require it, one should try to understand the situation with a cooperative attitude.

- **Courtesy**

A secretary should show proper consideration for all members of the organization as well as to outside callers. One must avoid embarrassing anyone and making sarcastic comments. Courtesy may be shown in greeting each member and visitor pleasantly, offering a seat, etc. and with use of words such as 'Please' or 'Thank you', whenever required.

- **Loyalty**

To be loyal means that faithful to the employer and always helpful to him/her. A secretary should be dedicated to the job and do assigned work honestly and sincerely. Loyalty is critical quality for holding a secretarial position. In order to be loyal to your executive and to the company or firm or institution for which you work, you must be familiar with the executive's goals and the organization's overall objectives and work at all times towards the goals.

- **Punctuality**

Punctuality means available to the executive for work at the desired time and also to finish the assigned job at the proper time. This simple but significant quality is very essential for a secretary. One must not be a 'Late Starter' or 'Early Stopper'. It is very annoying for an executive to find his/her secretary absent when something requiring immediate attention comes up suddenly.

- **Tactfulness**

Tact enables one to act in a particular fashion under particular situations. It is the personal skill in saying or doing what is required by the circumstances, the ability to handle a difficult situation in a right and positive manner. It has been truly called the "Fine art of avoiding offence".

A secretary is called upon to exercise tact in dealing with his/her employer, colleagues, visitors, etc. Judgement and discrimination are essential to become tactful.

- **Pleasing Voice**

A secretary should have a low but confident well-controlled and pleasing voice. A pleasant, clear voice is attractive and loud while demanding voice is unattractive. It has also to be understood that a very low and retiring voice makes communication difficult.

- **Personality and Poise**

Personality is usually linked to what you are, what you do and how you do it. Personality makes one person different from another. It is not important what kind of features you have, but rather the expression on those features. Good personality creates a positive impact on other people.

Poise is getting along with people well without superior or inferior feeling. It comes from knowing one's abilities as well as limitations. Poise enables a secretary to be at ease and also to make others feel at ease.

It is rightly said that knowing that you are well-groomed will give you confidence and confidence gives you poise.

- **Good Interpersonal Skills**

Interpersonal skills are the skills which help a person to interact with others properly. In an organizational setting, it is the ability to get along well with other members; whether senior or junior. It is important for a Secretary to possess excellent interpersonal skills to facilitate effective working relationships.

- e) Knowledge of the Profession or Business of the Employer**

Besides the above, one should be thoroughly familiar with the objectives and management of the firm or organization for which one is working. In other words, one should know the full range of activities of the organization, strong personalities, key figures in any particular field of activity, duties and responsibilities of the executive with whom one is working and the correlation between his performance goals and the overall objectives of the organization. The more one knows about the organization, the better job one will be able to do.

1.4 PERSONALITY DEVELOPMENT

Personality has different meanings for different people. Generally, it can be defined as a set of characteristics and tendencies that determines your behaviour with your thoughts, feelings and actions. We all are born unique and we all handle our lives in a different way. But, ideally, we must strive to boost our enthusiasm so that we evolve ourselves always in motivated and high energy state. It broadly includes:

- a) Good Appearance**

Physical appearance reflects the way you look from outside. A secretary must be well-groomed as good appearance is a great asset. In other words, a secretary should be well-dressed, neat and clean at all times. A well-groomed person looks alert and refreshing. First impression lasts long. If you look good outside, you also feel good and confident inside.

b) Etiquettes and Manners

In an organization, etiquettes and manners include social behaviour which we owe to our colleagues. The way you talk, the language you use and the tone with which things said, do reflect your behaviour. A display of good manners is an essential requirement for success in society too.

c) Communication and Confidence

Communication and confidence are the direct expression of one's personality. It is thereby essential that one masters the art of communication so that the confidence can be shown. There are certain aspects of communication which should be looked into properly. While communicating verbally, make sure that you do not criticize others. You should be a good and patient listener and see the other person's point of view also.



1.5 TIME MANAGEMENT – MEANING AND IMPORTANCE

Time management means to gain a feeling of control over how your time is spent. In other words, management of time is systematic planning of available time and setting right priorities. Usually, a PA/PS has to do more work he/she can accomplish in any

given time. Time is a very essential component of life and the management of time is essential both at work and outside.



Bad Management of Time (Time Wasters)

- Not setting deadlines
- Slow reading
- An untidy desk
- Inability to make decisions
- Failing to plan and budget your time
- Not keeping diaries, not making action or 'to do' lists, etc.
- Improper delegation of work
- Accumulating routine work such as filing, mailing, etc.

Better Management of Time (Time Savers)

- Setting targets and deadlines
- Planning your work
- Noting the priority items and attending to them first
- Keeping frequently used information or details ready
- Developing proper routine
- Being systematic and tidy
- Improving reading speed and accuracy
- Avoiding mood swings
- Avoiding personal and unnecessary telephone calls

1.6 STRESS MANAGEMENT

Stress is a dynamic condition which results in tension due to demanding situations. Often, there is anxiety in the mind of an individual as outcome of the situation is perceived to be both uncertain and important.

Stress management means ways and techniques which help in controlling a person's levels of stress. It is important to manage stress to improve everyday functioning and keeping good health. One of the most important ways to manage stress is by prioritizing the various tasks according to importance/urgency level.

Reasons for Stress in an organization may be:

- Task demands
- Role conflicts
- Organizational structures
- Leadership
- Individual factors (health, relationship, family etc.)



Symptoms of stress may be physiological, psychological or behavioural.

Physiological Symptoms:

- Health problems
- Increased blood pressure, constant headaches

Psychological Symptoms:

- Tension

- Anxiety
- Irritability
- Boredom

Behavioural Symptoms:

- Irregularity or absence
- Changes in eating habits
- Increased smoking and intake of alcohol
- Sleep disorders

The stress may be managed with the following ways:

- Express your feelings about the situation to the concerned person or another trustworthy person. Any grievances or problems should be discussed and sorted out.
- Proper time management is very important. Prioritize your tasks according to importance/ urgency.
- Prayer and meditation should be done regularly. It helps to improve concentration.



- Eat healthy food. Adopt healthy and regular eating habits. Do not skip any meal during work.
- Cultivate a good hobby.
- Spend some time in recreation. Recreation could be a part of your daily routine.
- Take a vacation. Vacations and holidays generally charge you up and remove all the fatigues of work.

- Listen to good music.
 - Have proper sleep. Sleep for 7-8 hours daily.
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CHECK YOUR PROGRESS

1. State whether the following statements are true or false:
 - a) The Secretary should be a tactful person with whomsoever the/she comes in contact.
 - b) The job of the Secretary is not only to assist the executive but also to handle meetings, prepare presentations.
 - c) The executives do not confide in the Secretary and do not entrust her/him the secret assignments.
 - d) A Secretary also looks after the private and social jobs of the executive.
 - e) Loyalty to the executive is part of a Secretary's job.
 - f) It is not the duty of the Secretary to supervise the work of junior employees.
 - g) A Secretary performs the duty of writing brief notes on the verbal instructions of the executive.
 - h) We should not pay any attention to what we wear in the office.
2. Fill in the blanks:
 - a) The word Secretary is derived from Latin word_____
 - b) Tact has been called the _____
 - c) Health problems and Increased blood pressure, constant headaches are the symptoms of _____.
 - d) The personality of the secretary can be broadly categorized into _____.
 - e) Secretarial skills include _____.
 - f) Preparing T.A. bills of the executive is the responsibility of _____.
 - g) After the meeting is held _____ are prepared by a Secretary.
 - h) _____ reflects on the way you look from outside.
 - i) _____ is a social behaviour which we owe to our society.

3. Answer the following questions:

- 1) What do you mean by the word 'Secretary'?
- 2) Explain the role of a Secretary in any organisation.
- 3) List out various duties of a Private Secretary.
- 4) Discuss the various types of secretaries along with brief job profile of each.
- 5) Enlist various qualifications and skills which an ideal secretary is required to possess.
- 6) Describe the various personal traits of a Secretary.
- 7) Differentiate between Time and Stress Management
- 8) What do you mean by Stress in an office? What are its consequences?
- 9) How can you manage Stress?

The age of technology has both revived the use of writing and provided ever more reasons for its spiritual solace. E mails are letters, after all, more lasting than phone calls, even if many of them are cursory. - Anna Quindlen

Unit-II

HANDLING THE MAIL

INTRODUCTION

It is essential for all business houses to initiate and maintain contacts with their customers, government organizations, financial institutions, investors, employees etc. for their survival and growth. As written communication is the most formal and reliable form of communication, we write e-mail, letters, memos, circulars, endorsements, reports etc. regularly to exchange information among business associates. Sending and receiving of written communication of various types is termed as Mail.

Handling of Mail is one of the important functions of an office. It is important that every Professional Secretary should have sound knowledge of the procedure of handling of mail which is to be followed in the organization. Efficient and effective handling of mail helps a company to boost its business and have better image of the organization. On the other hand, inefficient and ineffective mailing system may cause delay and loss of business.

Objectives

At the end of this lesson you will be able to:

- define mail
- know different types of mail
- explain the two types of handling of mail : electronic and physical
- handle the procedure of handling incoming and outgoing mail
- list out frequently used postal services in an organization

- explain the importance of speed post and courier services

2.1 MEANING AND TYPES OF MAIL

Mail is a form of written communication sent out or received in an organization with the help of an agency. The agencies which may help in transmission of mail are:

- Internet (E-mail)
- Fax Machine
- Post Office
- Special Messenger
- Courier etc.

In big organizations, a separate Mailing Department is set up to handle various mailing operations. However, in small organizations, a Professional Secretary has to take care of handling mail in addition to other secretarial functions. A Private Secretary or an Office Manager generally plans mail handling work in an organization. Systematic planning of mail handling ensures that mailing operations are carried out efficiently and effectively without delay. It also helps to ensure that -

- a) every mail received or generated in the organization gets due attention.
- b) there are no last minute hassles.
- c) judicious use of Mail Room Equipment.
- d) selection of proper agency for transmission of mail.
- e) proper recording of mail.

Types of Mail

There are three kinds of mail received or sent out from an organization. They include:

- a) Incoming (Inward) Mail: Any type of written communication coming to an organization is termed as Incoming mail.
- b) Outgoing (Outward) Mail: Written communication sent out or dispatched from an organization is called Outgoing Mail.
- c) Inter-Department Mail: The mail received or sent from one department to another department within the same organization is Inter-Departmental Mail.

In business houses, there is a defined procedure for handling of incoming and outgoing mail. Inter-Departmental Mail is handled by the executives according to their requirements and convenience.

2.2 HANDLING OF INCOMING MAIL

Effective and efficient handling of all incoming and outgoing physical mail reflects efficiency of a Secretary. Post Office, Special Messenger and Courier Companies help in physical delivery of mail from one place to another. Post Office provides various facilities regarding domestic and international carriage of mail. Local mail of urgent nature may be sent with the help of a Special Messenger. Sending mail by this mode ensures quick delivery of mail along with its acknowledgement. Now-a-days, Courier companies are also playing a vital role in delivery of mail due to various additional services they are offering to their clients. This has also become a popular mode of delivery of mail, whether local or international. However, today, the most frequent method of sending and receiving mail is electronic mail (e mail).

In every organization, there are defined steps for physical handling of inward mail so that the mail could reach the concerned official without delay. These steps vary depending on the size and nature of the organization. The following procedure is usually followed in handling of incoming mail if the mail is received manually/physically.

1. Receiving Mail

Mail is delivered once or twice a day by a Postman in an organization while mail from special messengers or courier companies keep pouring throughout the day. A Junior Secretary or Mailing Clerk is entrusted with the task of receiving the mail and providing acknowledgement of the receipt, wherever necessary. In case the mail is to be received from Post Box or Post Bag, a person is deputed to collect the same from the Post Office once or twice a day.

2. Sorting Mail

After receiving the mail, it is necessary to sort the received mail so that mail marked as Private, Personal, Secret, Confidential etc. are not opened. This type of mail is directly delivered to the person concerned unopened. Important mail viz. court summons, tenders, confidential reports etc. is sorted out from the routine mail to accord priority in opening. Routine mail consisting of sales letters, catalogues, product literature etc. are opened at last. Trays or open racks with separate compartments are usually available in Mailing Department in which segregated mail is kept while sorting. Trays or racks used for sorting mail have the name of the departments clearly marked on them.

3. Opening Mail

A paper knife is generally used for opening envelopes. In case of large mail, a Letter Opening Machine is helpful as it improves efficiency and opens the mail neatly. While opening an envelope, it should be ensured that:

- a) contents of the envelope are not damaged.
- b) before disposing off the envelope, nothing is left inside the envelope.
- c) enclosures are fastened if they are not properly tagged.

Sometimes, it is necessary to preserve the envelope received along with the mail. In such cases, the same is attached along with the letter.

4. Examining Contents and Stamping Mail

After opening the mail, a Secretary should briefly examine its contents. Examining of contents is done to again sort out the mail which needs immediate action so as to accord priority. Sometimes, there are certain letters which require time-bound reply and are to be dealt on urgent basis.

Examining of contents of mail also help to know if any of the enclosures of the letter are missing. In such cases, the facts are recorded on the letter.

All the mail received is date-stamped to authenticate receiving of the same in the organization. It can be done with the help of a Rubber Stamp or an Automatic Numbering & Dating Machine. A specimen of date stamp normally used in an organization has the following details -

M/s Concept Technology, New Delhi

Date _____ **Time** _____

Diary No. _____

Signature _____

5. Recording Mail

Recording of mail helps in tracing out any received letter at a later date. An Incoming Mail Register is maintained to make a brief record of all the incoming mail. Incoming Mail Register is also called Diary Register or Dak Register.

An Incoming Mail Register also has a column viz. Date of Reply to ensure that all the received mail has been attended to.

Specimen of Incoming Mail Register

S.No./ Diary No.	Date	Ref. No. of letter	Name & Address of Sender	Brief Subject	Deptt./Official referred	Initials of Receiver	Date of Reply

Some companies do not carry out the practice of recording of mail as it is quite time consuming.

6. Distributing Mail

The recorded mail is segregated department-wise and immediately distributed to the concerned departments by a peon or messenger.

7. Follow-up Action

Every incoming mail which needs a follow up action should be quickly attended to by the concerned official. In business houses, it is ensured that every mail received should be disposed-off within maximum 3-4 days, wherever possible.

2.3 HANDLING OF OUTGOING MAIL

Like incoming mail, speedy disposal of outward mail is equally important. Delay in sending mail not only results in loss of business prospects but also creates a bad image for the company. While on the other hand, quick replies of mail show the importance which has been attached to it. The following steps are generally followed in case of handling of outward mail physically:

1. Production of Mail

The letters which are sent out of an organization are prepared and signed by an authorized person. Every outgoing mail should bear a reference number which facilitates future reference of the same. The mail ready to be dispatched is usually kept in 'Out Tray' available in all departments.

2. Collection of Mail

All outgoing letters are collected twice a day by a peon deputed by Mailing Department for onward transmission. A Professional Secretary should ensure that the mail is collected timely so that it could be dispatched from the office without delay.

It is also the duty of the Professional Secretary to mention the preferred mode of dispatch of the mail. The Mailing Department or Despatch Section delivers the mail according to the instructions given on the mail.

3. Recording Mail

Every outgoing mail is to be recorded in a register called Despatch Register or Mail Outward Register. A specimen of the same is given below:

Outgoing Mail Register/ Despatch Register

S.No./ Despatch No.	Date	Reference No.	Name & Address of Receiver	Subject	Mode of Delivery	Postage Stamps used		Remarks
						Rs.	P.	

Local Mail which is sent by a Special Messenger is recorded in a Peon Book. A Peon Book has following columns:

PEON BOOK

S.No.	Ref. No. & Date	Name & Address of Receiver	Brief Subject	By whom delivered	Signature of Receiver along with date and time

4. Writing of Addresses

If the mail is to be sent in an envelope, the same should be selected of suitable size according to the size and number of paper (s) to be inserted it. While writing address on an envelope, it is ensured that the address should be written parallel to the length of the cover and in the lower half and towards the right-hand side thus leaving adequate margin at the top for the postage stamps and labels, postmarks and other indications.

Writing of correct, legible and complete address of the receiver on the outward mail is very important point to be taken care of by a Professional Secretary.

The addressed Post town should be noted in block letters and according to the approved spellings in the List of Post Offices along with the PIN (Postal Index Number) Code.

Postal Index Number

It is a code in the post office numbering used by India Post. It is unique 6 digit number, shortly known as PIN code. There are nine PIN zones in India, including eight regional zones and one functional zone (for the Indian Army). The first digit of the PIN code indicates the

region. The second digit indicates the sub-region, and the third digit indicates the sorting district within the region. The fourth digit represents the route on which a Delivery office is located in the sorting district. The last two digits represent the delivery office within the sorting district. Hence, with the use PIN code, speedy and accurate postal delivery is possible all over the country.

In case of addressing of large mail, an Addressing Machine can be used which saves a lot of time and energy of a Professional Secretary besides reproduction of correct address on the outgoing mail.

5. Folding letters and Inserting them into Envelopes

Letters intended to be inserted into envelopes should be folded in such a manner that it has minimum number of folds according to the size of the envelopes. Letters and enclosures must be folded together.

Folding and Inserting Machines can be used to make the task easy for a secretary in case of handling of large outgoing mail.

6. Sealing of Envelopes

The next step is to seal the envelopes to secure the contents of letters. The mail containing financial documents, registered and insured articles should be sealed carefully. Book Post mail mostly consisting of Product literatures, catalogues, price lists etc. are sometimes not sealed for the convenience of the receiver.

7. Affixing Stamps on Envelopes

On the outgoing mail to be sent through Post Office, postage stamps of required denominations are to be affixed as per the prescribed rates. The mail is weighed to calculate the correct amount of the postage stamps. Over-stamping and under-stamping are to be avoided at all costs.

Franking Machines are commonly used by offices for stamping the outgoing mail.

8. Posting Mail

Posting of Mail is the last step in the procedure of handling of outgoing mail.

Letters intended to be sent through Post Office are sent by a peon to the nearest Post Office. Mail marked as Registered, Speed Post, Insured etc. are submitted at the counter of the Post Office and a proof of delivery of the mail is obtained. Local mail which is to be sent through special messenger is handed over to the concerned person along with Peon Book. Courier Mail is handed over to the representatives of courier companies, whenever they arrive as per the specified time schedules.

2.4 HANDLING OF ELECTRONIC MAIL

Electronically, mail can be received or sent out with the help of computer, fax, mobile phone etc via a network. This type of mail does not have any elaborate handling procedure. The mail is mostly addressed by name on individual's e mail address or number. Fax and e-mail messages on receipt are directly delivered to person concerned for further action.

Electronic Mail or E-mail means messages distributed from one computer to one or more recipients with the help of internet. An e-mail message consists of two parts: the message header and message body. The message header contains space for email address (s) and subject. The content of the mail is written in the message body. The mail is easy to compose and transmit just with a click of button. It is generally received and sent from an individual's e-mail address in an organization.

E-mail has given rise to concept of Paperless Office because of the following advantages:

- Speedy delivery
- Economy
- Security
- Feasibility of sending bulk mail

- Possibility of use of pictures, demonstrations etc.
- Automated record management

The problems which may be associated with e-mail include threat of virus, hacking of mail, crowded in-box etc. However, with the various techniques, it is possible to deal and overcome all these hazards. It is important that in-box of mail should be checked-in regularly.

Due to exponential growth of mail volumes, Digital Mail Rooms are set up now-a-days in organizations. In such Mail Rooms, documents are scanned, archived and retrieved in original image format. Electronic mail formats, fax etc. can also be combined while document processing. The setting of Digital Mail Rooms has reduced decision making cycles, saved paper costs and rationalized circulation of information.

2.5 MAIL ROOM EQUIPMENT

Various mechanical equipment is used to handle the incoming and outgoing mail efficiently and effectively. Use of the mechanical devices also help to reduce monotony and increase accuracy of mailing operations. Equipment and machines in Mail Room has following advantages:

- increase in the speed of operations.
- saving of time.
- improvement in efficiency and accuracy.
- elimination of wastage.
- simplification of fixing of postage and avoidance of misuse of postage stamps.

The following Mail Room Equipment is commonly used in a large organization:

1. Letter Opening Machine

With the help of a Letter Opening Machine which operates manually or electrically at a great speed and can open 100 to 500 letters per minute, work of opening of mail can be efficiently

managed. It has a rotary knife which shaves off a very thin slice of the edge of envelopes. While using the machine, one should be careful that the contents of the envelope are not damaged.



2. Numbering and Dating Machines

An Automatic Numbering & Dating Machine is used for stamping on the incoming mail. In this machine, the next serial numbers and date automatically changes after every use with the help of self-inking stamp pad.

3. Folding and Inserting Machine

A Folding Machine can fold approx. 5,000 to 10,000 sheets per hour. It is possible to fold and insert letters into an envelope with this machine. The machine is to be adjusted as per the required number of folds according to size of envelope.



4. Sealing Machine

Sealing Machine helps in automatically moistening the flaps of an envelope and then sealing the same. Sealing with wax can also be conveniently done with the help of this machine. Hand operated sealing machines can seal about 100 envelopes a minute while electrically operated ones can operate at a speed of 15000 envelopes in an hour. The work of sealing of mail can be performed very neatly and efficiently with the help of this machine.



5. Mailing Scale

A Mailing Scale is used to weigh outgoing mail and ascertain postage stamps which are to be affixed on it. Digital scales at a very economical price are widely available in the market. It is an essential equipment in Mail Room for performing mailing operations.



6. Addressograph (Addressing Machine)

It helps in printing of addresses on envelopes, parcels etc. The machine is used when mail is to be sent to those customers which are regular and frequent on mailing list. It can be operated manually or electrically. In this machine, there is a ribbon to give print of the addresses from already prepared embossed plates. Once the address plates are prepared, it can be repeatedly used any number of times. The required plates are selected and fed into the machine from one side. After operating the machine, one can get the addressed envelopes from the other side.



7. Franking Machine

A Postal Franking Machine is a stamping machine intended to stamp impressions of dies of approved design on postal articles for payment of postage fee. A commission of 1 to 1.5 per cent is permitted on the value of franks used.

The use of a Franking Machine except under a valid license issued by the Head of the Postal Division is prohibited. The franked articles are tendered at the counter of Post Office and each consignment must be accompanied by a Window Delivery Ticket for identification of the licensee's representative.

The impressions of the franking machines recorded on postal articles should not be interfered-with in any way. Impression should be of bright red color, clear and distinct and should not overlap. As far as possible, they should be on the right top corner on the address side of the article itself or an address wrapper or an address label firmly attached to it. Franking is allowed up to any amount. There may be more than one impression of the value die but only one of the license die on each article.

The main benefits of using the machine include less risk of misappropriation of postal stamps, avoidance of errors in stamping and simplification in keeping the account of stamps

used. Department of Posts have also introduced Remotely Managed Franking Machine in place of Electronic Franking Machine with security features like generation of 2D barcode with franked impression and elimination of human intervention for up-loading credit in Franking Machine.



Now-a-days, business houses use **Mail Accounting Software** to manage postage expenses. The software helps in collecting, maintaining and reporting mail accounting data. It also helps in tracking and better controlling business mail expenses.

As physical handling of incoming and outgoing mail is quite time consuming and monotonous job, the mail room equipment discussed above helps a Professional Secretary to overcome these limitations and handle mailing operations in the most effective and efficient manner.

2.6 POSTAL SERVICES

Though e-mail and courier services are the most commonly used mode of transmission of written communication now-a-days, every organization still sends a large number of letters, parcels etc. through a Post Office. In India, Department of Posts offers various services at affordable rates for carriage of mail besides acting as a financial institution.

The primary function of Post Office is collection, processing, transmission and delivery of mail. All postal articles whose contents are in the nature of message can be classified as mail

which includes Letters, Postcards, Inland Letter Cards, Packets, Registered, Insured, Value Payable articles , Speed Post etc..

Mail is further classified as first class and second class mail. First class mail gets free air transmission within India; whereas second class mail gets air lift only if prepaid with air surcharge.

Department of Posts have also launched a pilot project ‘Project Arrow’ to lay the foundation for a comprehensive, long term transformation of India Post. The project ensures at providing a fast, reliable and efficient postal services to the customers. The strong IT-base of Department of Posts has also made it possible to offer a range of e-enabled services to their customers such as on-line web based domestic money transmission service, electronic money order, e-payment etc. Let’s know about premium products, mail products, tools and Business Solutions offered by India Post.

Premium Products	Mail Products	Tools	Business Solutions
• Speed Post • Business Post • Express Parcel Post • Media Post • Greeting Post • Logistics Post	• Letter • Inland Letter Card • Post Card • Book Packet • Registered Newspaper • Blind Literature Packet • Parcel • Registration • Insurance • Value Payable Post	• Track Your Consignment • Compare Services • Calculate Postage • Find Pin code • Locate a Post Office	• Opening a Corporate Account • Speed Post Business Solutions • Cash On Delivery(COD) Facility • Express Parcel • Business Parcel • Bill Mail • Direct Post • Retail Post • Business Post • Logistics Post • e-Payment

A few of the often used postal services in an organization are discussed as under.

Registration

Registration makes the transmission of an article more secure as it passes through the hands of postal officers, under special precautions. But the Post Office is not responsible for any

injury which its contents may sustain during the transmission. The risk of injury is diminished by the use of the special registration envelopes sold at post offices.

Letters, letter cards, postcards, book and pattern packets, blind literature packets, parcels and newspapers prepaid with postage at newspaper rates of postage, etc. may be registered at any post office for transmission by post to any other post office.

The prepayment of the postage and registration fee is compulsory in the case of all registered articles.

Insurance

Registered letters, value-payable registered letters, registered parcels and value-payable registered parcels may be insured at such post offices, as are authorized, to accept articles for insurance. Such post offices deliver insured articles, provided that in no case shall such value exceed the real value of the contents of the article insured; provided also that articles containing gold, coin or bullion Government currency notes or bank notes or any combination of these shall be insured for the actual value of the contents. For the purpose of this rule, papers such as securities, legal documents, etc. may be regarded as having a real value.

Post Box

A post box is a uniquely addressable lockable box located on the premises of a post office. Generally, post office boxes are rented from the post office either by individuals or by businesses on a basis ranging from monthly to annual, and the cost of rent varies depending on the box size. Only fully prepaid unregistered mail namely letters, inland letter cards, postcards, registered newspapers, books, or the post bearing the Post Box No. are delivered through post box.

Value Payable Post

The value payable system is designed to meet the requirements of those persons who wish to pay for articles sent to them at the time of receipt of the articles and also to meet the

requirements of traders and others who wish to recover the value of article supplied by them through the agency of the Post Office.

Registered parcels, registered letters, registered book packets and newspapers prepaid with postage of newspaper rates of postage and with registration fee may be transmitted by the inland post as value payable postal articles, provided that the amount specified for remittance to the sender in the case of any such postal article does not exceed Rs. 1,000/- .

No such postal article as aforesaid will be accepted at any post office for transmission by post as a value payable postal article unless the sender declares that it is sent in execution of a bona-fide order received by him.

Speed Post

Speed Post is a very high speed express service for letters and documents with time-bound delivery across the nation and around the world. Speed Post offers a money-back guarantee, under which the Speed Post fee will be refunded if the mail is not delivered within the published delivery norms.

Speed Post delivers 'Value for money' to everyone everywhere. It has a scheme called 'One India, One Rate' scheme which has been launched for all destinations across India, from Kashmir to Kanyakumari. For corporate customers and to regular users, Speed Post provides 'Home collection', credit facilities, on-line tracking, account management and personalized services.

Opening a Corporate Account

For corporate customers and regular users, India Post provides many value added services including pick-up from the premises, convenient monthly billings, account management facilities, assistance in import/export procedures of shipments, corporate tracking facilities,

volume discounts etc. When we open a corporate account, we open the door to convenience and customized solutions, as per our requirements.

Surface Air Lifted (SAL)

Surface Air Lifted (SAL) is one more premium mailing service from India Post. SAL mail is faster than sea mail yet cheaper than air mail - an ideal combination of air and surface transport for quick and economical mail deliveries.

SAL mail will be Air Lifted between the country of origin and destination. However within the country of origin up to the office of exchange and in the country of destination from the office of exchange to the point of delivery, SAL mail will be transmitted by surface.

COURIER SERVICES

Due to features viz. high speed, security, tracking, acknowledgement and committed delivery schedules, courier services have witnessed a phenomenal growth in modern era.

Courier services are popular among the business organizations as they offer the following solutions to the customers in regard to mail delivery:

- Delivery of any type of article of any value or weight. (e.g. perishable commodities, medicines etc.).
- Reliable and safe delivery.
- Speedy delivery as they follow stringent time schedules.
- Wide coverage (almost all corners of globe).
- Transit insurance facility.
- Facility of consignment status by web based Track and Trace System which can be had on mobile and e-mail.
- Proof of delivery on request.
- Maintenance of quality standards.

- Provision of logistic solutions like go-down facilities, packing etc. as per customer's needs.
- Processing of mass mail (envelope labelling in case of product promotional literature, sending of greetings etc.)

The world's largest courier companies include DHL, FedEx, OBC Express Ltd., UPS, etc.

CHECK YOUR PROGRESS

1. Fill up the following blanks:

- _____ is unique 6 digit number, shortly known as PIN code.
- Every envelope is _____ to calculate the correct amount of the postage stamps, if it is to be sent through Department of Posts.
- A _____ machine is a stamping machine intended to stamp impressions of dies of approved design on private and official postal articles in payment of postage and postal fees.
- _____ is very high speed express service for letters and documents with time-bound delivery across the nation and around the world..

2. State whether each of the following statements are True or False.

- Mail received electronically requires an elaborate handling procedure.
- An Incoming Mail Register is maintained to make a brief record of all the incoming mail.
- Franking Machine helps in printing of addresses on envelopes, parcels etc.
- Registration of articles should carry the superscription 'Recorded Delivery' and be prepaid with the appropriate postage and the prescribed fee per article.

3. Answer the following questions:

- a) Suggest various steps involved in handling of Incoming Mail, if the same is being handled physically.
- b) Outline the procedure of physical handling of Outgoing Mail.
- c) Discuss any three Mail Room Equipment which are useful in performing mailing operations efficiently.
- d) Differentiate between Electronic Mail Handling & Physical Mail Handling
- e) Describe any five facilities given by Department of Posts regarding carriage of mail.
- f) Explain various services which may be provided by courier companies to their clients.
- g) How Peon Book is different from Mail Outward Register?
- h) Discuss the use of:
 - i) Remotely Managed Franking Machine
 - ii) Mail Accounting Software

Unit-III

FILING AND INDEXING

Introduction

Records management is an on-going process of managing the records of the organization in accordance with approved policies and procedures. It can be defined as ‘the systematic control of all records from their creation or receipt through processing, distribution, organization and retrieval to their ultimate preservation and disposition. Different record types may have different retention policies according to an organization’s operational requirements. Records are retained by maintaining the appropriate filing system of the organization and their retrieval becomes easy with the help of indexing.

We know that many documents are generated in the office of any organization, whether all of them are record? What procedure should be adopted to have a systematic procedure of record management? It is important to answer these questions.

Objectives

After going through this lesson, you will be able to:

- Define the term - record
- Know the importance of records in an organization
- Explain the importance of filing as a mean to preserve the records.
- Understand essentials of good filing system
- Explain classification and method of filing
- Understand the terms - E-filing and also its importance
- Explain about indexing and its relationship with filing
- Recall different ways in which the indexing can be done
- Enumerate the steps involved in filing process

3.1 FILING – MEANING, IMPORTANCE AND ESSENTIALS

It is necessary for an organization to produce and handle a great deal of information for its survival and growth. But all this information which generate during the course of business may not be important to preserve for future use.

RECORD means any information generated or received in the course of conducting business, which should be maintained to meet the financial, legal, historical or administrative needs of an organization in future. A record may be any document that has been used to make key business decision. Some common examples of record in business are – financial reports, income tax returns, statistical compilations, company bylaws, minutes of meeting, business plans, employment agreements, letter of credits etc. Further, a record may be in the form of paper, computer printout, magnetic or optical disk, microfilm, audio recording or any other way by which information could be stored.

FILING is the process of arranging and storing records in neat, orderly and efficient manner so that they can be located easily and quickly when they are required.

Usually, in every office, all relevant papers like notes, correspondence, reports on a given subject are stored in one file so that they are available for use at any point of time in future. Every executive expects from his/her secretary to present quick presentation of records at the time of need. Therefore, record management is an important task to be undertaken by every secretary. In order to file records efficiently, a secretary should follow standard rules and procedures of filing. Also for a responsible secretary, it is important to review the papers to be filed every day or once a week and file them appropriately.

Importance of filing

The records formulate the memory of an organization. Records not only provide a history of the business but they also provide a foundation for future decisions.

The information contained in the records forms the basis of all business activities. Whether to place an order, make a payment, get a loan or any another function of business, office records is the origin of all activity. Decisions for the future course of business are taken keeping in view the past performance, policies and strategies of the organization as per the records and the available up to the date information. The sooner the desired information is available the more quickly it can be put to use where it will do the most good. A business decision can be as good as the fact or information on which it is based. On the contrary mismanagement of important records may lead the organization to the business loss, litigation, fines and even

regulatory investigations. Therefore, records play an important role in the effective and efficient functioning of an organization. The factors which make records important are listed below:

1. The records act as memory unit of an organization and hence provide history of any business.
2. Records constitute the database for the Managerial Information System. Here, they provide necessary information for future planning and policy formulation of a business.
3. Important decisions for the smooth functioning of a business originate from records.
4. Records provide the basis for compliance of legal and statutory requirements.
5. Status of the business, i.e., financial health, societal status, comparison with competitors, etc. can be ascertained with the help of business records in the form of various statements and reports.
6. Records help in handling customers and correspondence carefully to maintain the goodwill of an organization.

Essentials of a Good Filing System

As there are various methods of filing and there is no one complete ideal filing system which meets the full and complete requirements of office records in every office. Whichever filing system is adopted by an office, it should be simple so that it may be understood by everybody in the office even in the absence of a filing clerk.

A good filing system should have the following characteristics:

1. **Compactness** – Filing system should be compact which means that it should not take unnecessary space.
2. **Economical** – Filing system should be economical in terms of time, space, money and operation which mean that the cost of installation of filing equipment should be as low as possible.
3. **Flexibility** – Filing system should be flexible so that it can be expanded or contracted in case of need.
4. **Easy location** – The record should be placed at that place where it should be easily located when required for reference without any delay.

5. **Safety** – Filing system should be such that proper safety of records is ensured from dust, water, fire, theft, insects, etc.

3.2 CLASSIFICATION OF FILING – ALPHABETICAL, NUMERICAL, GEOGRAPHICAL, SUBJECT, CHRONOLOGICAL

When we plan to maintain a particular type of record in a file for future use, we have to classify the same and give a suitable title or heading depending on the subject or section to which it belongs.

Classification of Filing means the process of selecting headings under which records are grouped or classified on the basis of common characteristics before filing them.

The main purpose of classification of records is to locate any one document from among all the documents stored in the office without loss of time and at minimum cost. Proper classification of a file at a proper place helps to retrieve the same quickly and it will not be difficult to find it out later. The classification can be followed by sub-divisions, depending on the nature of subject matter. There are different kinds of classification methods which may be adopted in an organization. Commonly used methods of classifications of files are:

- I. Alphabetical Classification
- II. Numerical Classification
- III. Geographical Classification
- IV. Subject based Classification
- V. Chronological Classification

ALPHABETICAL SYSTEM OF CLASSIFICATION

This is the most popular system of record management. As it is the basis of most of the other systems of classification, it is very important to understand this system.

In this system, all the records are kept in strict alphabetical order. Dictionaries, contacts' list in mobiles and telephone directories are good examples of this system. In order to maintain alphabetical classification of files, following rules need to be followed:-

Rule 1: File by name in terms of the first letter, e.g.:

Amit & Co.

Bhushan & Bhushan

Garg Enterprises

Triveni Electronics

Rule 2: If the first letters are the same, file in terms of the second letter, e.g.:

Clarence

Colours

Cyndee

Cyril

Rule 3: File in terms of surnames, e.g.:

Arora G.

Diwan A.K.

Taneja V.R.

Yusuf R.K.

Rule 4: If surnames are the same, file in terms of the initial, e.g.:

Anil J.S.

Anil J.U.

Anil R.S.

Anil T.M.

Rule 5: When there are two surnames, files under the first surname., e.g.:

Verma & Sharma

Chopra & Khosla

Mehta & Gosain

Khurana & Chhabra

Advantages of Alphabetical Method of Classification

- i. It is easy to understand and simple to operate.
- ii. It contains self-indexing. No need for separate index.
- iii. It reduces the chances of misfiling of documents.
- iv. It can be expanded to any length.

- v. It provides ready reference and a quick check.

Disadvantages of Alphabetical Method of Classification

- i. There may be difficulty in forecasting the space required for different letters of alphabets.
- ii. There may be congestion of files under a particular name.
- iii. The method of filing leads to confusion and congestion if there is a common
name or surname.

NUMERICAL SYSTEM OF CLASSIFICATION

Here, a unique number is allotted to a file and the file is placed in the filing system in numerical order. Whenever, a new file is opened, it is allotted a new number. This is a simple and logical method quite suitable for organizations dealing with large number of customers or clients, especially where the work is growing. This system is supported by an index from which the file number is obtained.

Many a times, every section/department is given a definite number and then different files under each section/department are given additional numbers by allotting a decimal of slash to differentiate.

For example, Sales Department is given 001; Stores Department is given 002, etc. Now say files maintained by Sales are given internal numbers for various cadres, say Sales Manager as 1, Sales Supervisor as 2, Salesmen as 3, and so on. Further, the files are given sub classification on the basis of their names like

Employees with names starting with A-B

Employees with names starting with C-D

Employees with names starting with E-F and so on

Therefore, in this system, we have to prepare index cards and the file numbers are written on them and arranged in alphabetical order in a drawer. Whenever a particular file is needed, the secretary has to consult the index card to retrieve the file.

Advantages of Numerical Method of Classification

- i. It has the feature of expansion which means whenever a new file is placed next to the last existing one, it is allocated the next number. Thus, with this method filing system can be expanded to any length.
- ii. The file numbers can be used as a reference number in correspondence.
- iii. It facilitates accuracy in terms of filing of papers.
- iv. It is simple to understand and easy to operate.
- v. Chances of misfiling of papers are less.

Disadvantages of Numerical Method of Classification

- i. We need more care to avoid errors arising out of transposition of figures.
- ii. A separate index is required.
- iii. One has to first consult an index to locate any file.

GEOGRAPHICAL SYSTEM OF CLASSIFICATION

This method is suitable for organization which has its business spread in different geographical regions. In this system, the files are grouped on country, states, towns or district basis, according to the area of operation. Further, geographical groups of records are usually arranged alphabetical. If numerical system is used, a separate name and location index is prepared giving the name of the party and its geographical place.

In geographical system of filing, the whole area may be divided into different zones. There may be north zone, south zone, east and west zone. The areas allocated under each zone are to be clearly defined. Then, zones may be further divided into states. For example -

North Zones: Haryana, Himachal Pradesh, Punjab, Uttar Pradesh, Uttarakhand

South Zone: Andhra Pradesh, Karnataka, Kerala, Orissa, Tamil Nadu.

After that, each state may be classified district-wise or town-wise in an alphabetical manner:

District Wise: Haryana: Ambala District, Karnal District, Rohtak District

Town wise: Punjab: Amritsar, Hoshiarpur, Jalandhar, and Ludhiana

After that, individual classification for different customers may be adopted.

Advantages of Geographical Method of Classification

- i. The system helps in quick location of the files in an organization which has its business spread in many geographical regions.
- ii. It is simple to understand and study comparative progress made in different regions in terms of sales or any other parameter.

Disadvantages of Geographical Method of Classification

- i. Without proper knowledge of geography of an area before filing records, this system is useless.
- ii. It must be combined with other methods, viz, alphabetical, numerical, etc. to file records.

Geographical filing is suitable when records are scattered in a diversified area and review of the activities of different regions is to be made on continuous basis.

SUBJECT WISE SYSTEM OF CLASSIFICATION

Under this system of classification records are first sorted out on the basis of the subject matter they contain, and then are filed accordingly. All letters, documents and papers relating to a particular subject are brought together in one file even though they are received from different parties or geographical locations. In a particular subject file, papers are to be filed in some definite order, i.e., either alphabetically or chronologically.

An organization in which subject matter is of greater importance than the parties/persons/places, subject system of classification is adopted.

Advantages of Subject wise Method of Classification

- i. There is convenience of reference, if the subject is known.
- ii. In this system, there is possibility of unlimited expansion.
- iii. It proves useful whenever it is desired to combine different documents on a single subject.

Disadvantages of Subject wise Method of Classification

- i. There may be difficulty in filing of papers on the basis of subject matter as the filing clerk has to study and decide about the nature of the record. Sometimes, it is not an easy task to divide the papers on the basis of subject and giving the titles to the concerned files as most of the papers are inter-related
- ii. We cannot file miscellaneous papers according to this system.
- iii. We always need an index for this type of classification system.

This system is suitable for offices where a number of projects are in progress at one point of time and each project is important irrespective of the party/client.

CHRONOLOGICAL SYSTEM OF CLASSIFICATION

It means arranging all records and files in date order. Here, files are maintained in order of time, i.e., according to the year, month and date. The most recent (current date) papers are kept at the top of the file and the older papers are kept at the back. This system is important because often it is the most recent correspondence that is usually needed and employed in filing invoices and other vouchers associated with the payments.

In this system, the maintenance of files could be done in any of the classification system but the records inside the file to be arranged in chronological order so that they can be retrieved at the earliest.

This system is helpful for follow up actions. Further, files for daily appointments, conferences and other important business engagements should always be maintained in chronological order.

Advantages of Chronological Method of Classification

- i. It is simple to understand and operate.
- ii. Retrieval of records is easy if dates are known and also good for overall classification i.e. if correspondence to be maintained of different years.

Disadvantages of Chronological Method of Classification

- i. This method is useful only for small business types.
- ii. May not be suitable at times as incoming letters and their outgoing replies to be kept separately if both belong to different dates.
- iii. Difficult to trace a record if dates are not known.

The choice of the appropriate method depends upon the nature of the business, and the policies of the management. It is very difficult to choose any one method of maintaining files. No method can be termed as the best. Different combination of these can be considered for maintaining files.

Selection of an appropriate method also depends upon the size of the filing system. Other things to be kept in mind are convenience, simplicity, degree of expansion, speed of reference and accuracy.

3.3 METHODS OF FILING – HORIZONTAL AND VERTICAL

Filing method means how files are physically arranged. It may differ according to the nature and size of records which are to be arranged. However, the purpose for keeping files is that records are easily retrievable at the time of need. It is also important to ensure their safety from theft, fire, dust and other calamities. The methods of filing can be grouped as:

- Horizontal or Flat Filing
- Vertical filling

Horizontal filing: In this method, the papers are filed into the filing folders which are kept one upon another on the shelves of the racks or almirahs, parallel to the ground or horizontal way. For easy maintenance, shallow drawer cabinets or deep drawers fitted with desks are used. However, the main difficulty in this system is when a file lying at the bottom is required, all the files above are to be taken out first and then only the lower file can be taken.

Vertical Filing: The most preferred and scientific method of arrangements of files is the vertical filing system. Under this system, files are kept vertically in specially made drawers,

one behind another so that the side label is always in the front. It is very easy to find a file, to take or put in, without disturbing other files. It is very flexible and classification of files becomes easy.

Filing Equipment

For storage of records, we need to have various equipment which is discussed in brief.

Cabinets: Though there are many kinds and sizes of file cabinets that are available in market, the cabinet size is determined by the size of the records to be stored. Usually, five or four-drawer cabinets should be used whenever possible because they contain more filing space and occupy the same floor space. The drawer or cabinet should be just a little larger than the material. It is a waste of money, space and material to use a cabinet larger than needed. Legal-size cabinets should be used only when the greater portion of the material to be filed is larger than 8 ½ by 11 inches (A4 size).

Commonly used types of filing cabinets for storing paper records are-

- Vertical Filing Cabinets
- Lateral Filing Cabinets
- Open Shelf Cabinets

Principles for selecting a suitable cabinet to meet your requirements are:

- 1) **Space Available:** As office space is expensive, it is important to note that one should always try to select filing cabinets which make the best use of office space. Further at the time of measurement of the filing cabinets, space that is needed to pull out a drawer and to stand in front of the cabinet should also be included.
- 2) **Storage Needs:** Storage space of the organization can be known on the basis of present requirement in addition to making provision for future expansion plans. For the purpose of present requirements, active records are taken into consideration. Then the future need is assessed by looking at how fast the volume of files grows each year. For example, if it is expected that the volume of active files will grow by ten percent per year over the next five years, the organization will need 40 percent more storage space than it has now. On the safer side it will be better to include an extra 14 percent more storage space for contingencies.
- 3) **Security Needs:** Certain records require a higher degree of security than the normal records. These records should be stored in locking cabinets. Secure and fire safe cabinets are more expensive, so they should only be purchased to meet a specific need.

4) **Costs:** As budget is an important consideration, cost of the equipment should match with the finance available as per earmarked budget by an organization for this specific purpose. The comparison of prices should be made so that costs of filing equipment could be compared for equal amount of file storage space.

4) **Operational Costs:** Expenditure on storage cabinets is one time but the ongoing operational cost, if any, also needs to be considered.

6) **Physical Format of Records:** Special records like maps, drawings, videos, films, microfilm and diskettes may require special storage equipment.

7) **Retrieval Efficiency:** Retrieval efficiency is the most important aspect of record management. It should be given a thought that how many people will be using the cabinets, and how they will retrieve records from it. Open shelf filing cabinets lets a large number of people access the files at the same time. Vertical, lateral, and mobile cabinets work best if only one or two people are accessing the files at the same time. Moreover, physical abilities of employees should also be taken into consideration. For example, a person in a wheelchair may not be able to reach files that are in the top drawer of a tall cabinet.



3.4 E-FILING

One of the major problems of all filing systems is of storage space, especially for documents that are no longer frequently used.

Earlier, Microfilming was the ideal solution to the storage problems for firms that could afford it. Microfilming is a photographic process whereby documents can be photographed and reduced to a much smaller size. Instead of files, full of documents, there are just small rolls of films to store. The original documents can then be destroyed. When a document is needed, the microfilm can be viewed on a scanner where the negative is enlarged and projected on to a display screen. One microfilm allows for very compact storage of books and documents. However, with the advent of computers, electronic filing has almost replaced microfilming.

Electronic filing (E-filing)

Computers have been proved as boon to office managers and office workers. Creation of documents, sharing of information, communication and record management, all these has become easy with the help of computers. The stage of paperless office has arrived as there is no unforeseen fear of loss of records by virus or other electronic threats. Therefore, users now just manage records electronically and there is no need to create a print out of the records. However, few organizations are still managing records in both electronic and as well as paper format. Paper records are scanned and images are stored electronically. Whenever required, electronic records may be printed and saved manually.

Multiple files can be stored in a folder. All sensitive files can be protected with the help of password.

It takes flash of a second to retrieve a stored file. The ease with which a file can be retrieved has prompted the organizations now-a-days to replace physical filing with e-filing and, thus, move to a paperless era.

Options for Saving Your Electronic Files

There are many ways to store your e-files. Some of the ways are:

- USB Flash Drive
- Hard Disk
- Save to desktop & send as an email attachment
- Sign up for free online file storage
- Sign up for free online word processor and spreadsheets
- Save with the help of bookmarks/favourites online

A USB Flash Drive holds as much as 100 or 1,000 times as a single floppy disk drive. They are referred to by many names including “jump drive,” keychain drive,” “pen drive”, “flash drive”, etc.

They can hold Microsoft Word files, Excel spreadsheet files, digital images, music/video files and more. In most cases, personal computer assigns the letter - e: to a USB drive. Opening of files from or saving files to the USB drive is also very easy. You may need to type e: in the “File Name:” cell and then hit the “enter” key on your keyboard to force Windows to “see” the USB Flash Drive.

When you are ready to remove your USB drive, click the “Safely Remove Hardware” icon on the Window toolbar in the lower right corner of the screen. When the power light on your drive turns off, you can remove it from the PC. If the “Safely Remove Hardware” icon is not

available or it is not working, make sure all of your files are closed (power light on your drive should not be blinking) before removing your drive.

Free Online File Storage

There are a number of free internet services you may use to store files on a remote server that can be accessed using an Internet browser from any computer that has access to the Web. Using these services generally requires you to set up a free account.

In general, free file storage services provide storage up to a certain limit and may also restrict the size of individual files that may be uploaded. Some free services are meant to store files for just a few days. However, it is important to read complete instructions and policies carefully before taking up online service.

If you are storing critical files such as a resume, it is wise to have it stored in more than one place. For example, you might have it stored online and also on a USB or hard disk.

To best manage electronic records, following points should be taken care of:

- i. Electronic or Digital records are just as valid and important as paper records, and are subject to same formalities and legal and fiscal requirements.
- ii. These records also require the same treatment for retention as is required for their paper equivalents. Therefore, they should not be retained longer than the approved retention policy of the concerned organization.
- iii. Where possible, departmental file plans used for paper records may serve as a basis for the classification of electronic records, Departmental computers should have similar directory structures, and allow for documents to be classified within the established record series.
- iv. All official digital records can be moved off from individual workstations, and onto a document repository server that is shared by the department.
- v. As per the requirements of the organization, it should be decided which records need to be stored in paper format or electronic format. Double record management for same records should be avoided. If paper equivalents are required, retention period of digital records may be reduced or vice versa.
- vi. No analogous hard copy equivalent to the computer records need to be maintained. It is especially essential that policies be developed and documented for their eventual disposition. A plan should also be put in place to ensure that this disposition is carried out on schedule.
- vii. It should be ensured that duplicates and drafts are disposed along with their master documents.

- viii. Printing or saving an e-mail message to disk makes it a document which requires the same record management treatment as is required in case of other records. Therefore, one should be judicious in the use and retention of electronic mail.
- ix. Saving electronic documents on magnetic media such as floppy disks or data tapes is not advisable for long term retention. Magnetic media is usually unstable, and loses its signal very quickly. Records stored on these media will likely be unreadable when they are needed at a later date.
- x. Records in electronic formats may quickly become unusable due to changing hardware and software standards. For instance, a document saved in an early version of a program may be unreadable when that program is upgraded to a new version. If electronic documents require retention beyond three years, a strategy must be in place to migrate that data forward.
- xi. It should be ensured that the protection of electronic document backup is not optional. It is essential.

IT tools help users classify, manage, retain and dispose their digital records with the same care and attention we have provided for paper files. The time has come when Records Management has placed emphasis on the management of electronic records within the office environment.

3.5 WEEDING OUT OR DESTRUCTION OF OLD RECORDS

Weeding out or destruction of old records means destroying the unwanted papers or documents or files after completing the record period to make a space for future documents. All dead records should be destroyed as per organizational policies. A destruction certificate may be prepared giving the date on which the record was destroyed. A Paper Shredder is a mechanical device used to cut paper into either strips or fine particles to destroy private, confidential, or otherwise sensitive documents.

3.6 INDEXING – MEANING, IMPORTANCE AND TYPES

Index is a ready guide to the location of the file required. As an aid to filing, indexing can be described as a process of providing a ready reference list of records to locate particular documents at the time of need. It is important to know here that files maintained in alphabetical order are self indexed and do not require the additional tool of indexing for the

purpose of easy retrieval or location but in all other systems, indexing is a must for ready reference and early retrieval.

Importance of Indexing

An index is an essential aid to the filing system. Its importance can be understood from the following benefits:

- i. It facilitates easy location of papers and records whenever needed.
- ii. It provides easy cross-referencing and cross-checking, which ultimately improves the efficiency of office staff, thereby saving time and energy.

Types of Indexing

- Page indexing
- Card indexing

The Page Indexing

It is an old system of indexing. Here index is prepared on papers. This index consists of a page for each letter of the alphabet, fitted with a tab showing the letter and on each page the names are written beginning with the letter and quoting the relevant page numbers. This type of indexing can be in the form of:

Bound Book Index: In this form of index, a bound book or a register is divided into various sections. Each section is allotted an alphabet. Names of the parties and the persons starting from a particular alphabet are written in the concerned section. At the outer margin of the page letter groups are shown by cut outs so that the initial letters of all the sections are visible at a glance. All entries relating to a particular letter of the alphabet are arranged in the same section or pages reserved for the same letter of the alphabet in a strict alphabetical order. The best example of this type of index is printed telephone directory.

This method of indexing has following advantages:

- i. This system is very simple and easy to grasp.
- ii. It does not involve high cost.
- iii. It is good for maintaining records for a longer period
- iv. Since the pages are bound, fear of loss and disarrangement is not there.

Some of the disadvantages of this system are:

- i. It is not flexible. When name of a new party comes which should be placed before an existing name, there may not be sufficient space for it. If an old party's name or record is to be deleted, his name still remains in the index register occupying some space unnecessarily.

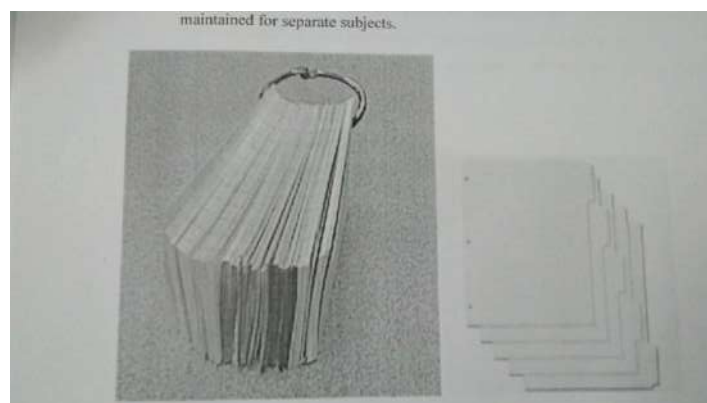
- ii. Much time is lost to prepare it and to consult it.
- iii. If one man is busy seeing it, another man cannot consult it simultaneously.
- iv. It cannot show the function of the party unless separate index books are maintained for separate subjects.

Loose Leaf Index: In this type of index, the pages on which the index is prepared are not bound. Here the pages are fitted on to a metal hinges and screwed. Thus, wherever required some pages can be taken out and/or additional pages can be inserted.

This method of indexing has following advantages:

- i. This method is very much flexible. The number of sheets can be added or removed as per the requirement. Thus, loose-leaf binders have complete flexibility and can be expanded without disturbing the order or sequence of records.
- ii. The records sheets can be classified in any manner and they can be made self-indexing. The sheets can also be rearranged at any time in a new order.
- iii. Tabled index or guide sheets can be inserted at reasonably spaced intervals to facilitate quick location of any sheet.
- iv. The speed of reference and the facilities of making entries in loose-leaf books are so favourable that there is considerable economy of time and labour.

The only disadvantage of this system is that loose leaves can be removed intentionally and there is fear of loss and mis-handling.



Card Indexing

Card indexing is the most popular method of indexing. These are commonly used as they overcome the difficulty of an ordinary page index. It consists of a number of cards of a standard size, each concerned with one item of index. The heading is written on the top edge of the card and the remaining space is used to indicate the place where the corresponding record is kept. The lower portion of a card also carries certain essential information.

Cards may be arranged in alphabetical or numerical order and are kept in drawers or boxes specially meant for these. These drawers are divided into sections with sticking up tabs. Sometimes the cards are filed on a rotary deck or on a wheel.

The advantages of card indexing system are as follows:

- i. As the cards are serially arranged, it takes very little time to find out a card and to locate the file.
- ii. It is extremely flexible. When a new party comes, the relevant card is prepared and placed at the proper place.
- iii. It can be expanded to any extent.
- iv. It gives some additional services. On the back side of the card, important useful information about the file can be maintained.
- v. By using different coloured cards, they can be grouped according to subjects or regions.
- vi. A mark can be made on the card by fixing a clip, whenever the file of a party has been taken out from the filing rack.
- vii. It can be operated by more than one person simultaneously.
- viii. The system is quite cheap to install and operate. The equipment required includes card and drawers of desired size.

The disadvantages of this system are:

- i. All cards cannot be seen at a glance. So it may be time consuming for the filing clerk to locate a particular card out of all.
- ii. The cards may get spoiled because of frequent handling and, therefore, have to be replaced.
- iii. There is a danger of separate cards being lost or manipulated.

However, as the merits of this system overcome its disadvantages, it is widely used in offices including libraries.



Visible Card Index

In this system, the cards are laid flat in transparent covers in a metal frame or a shallow tray. Each card is so fitted into a metal hinge that it overlaps the one before it, the name and address on it being visible without touching another card. The trays or frames may be fitted horizontally into cabinets or attached vertically to metal stands. The hinges enable the operator to read on each card, either on back or front, without removing it from its place.

A modern method of visible card indexing is operated with the help of a card wheel in which cards are attached to metal rods surrounding a wheel set on a tub or stand. The wheel rotates and can be spun around or held in any position by a brake. It can hold between 1,000 and 4,000 cards.



Strip Index -The strip index is type of visible indexing which can be used when entries in an index are limited to a few lines (names, addresses, reference, etc.). It consists, of a frame into which strips of stiff paper can be fitted in any required order. Each strip is devoted to one item. Frames can be either fixed on the wall, held in a book form, or arranged on a rotary stand which can be turned round to look at any part of the index.



The advantages of Visible Card Indexing system are:

- i. It is a compact index as the number of cards which can be kept in a tray or cabinet (or fixed on wheels, frames, etc., as in card wheel or strip index) is much larger than in other types of index.
- ii. As the main reference (name or subject title) is visible, any card can be instantly located and entries can be quickly made.

The disadvantages of this system are:

- i. The requisite type of equipment for visible card index is very costly in comparison to the non-visible card indexing system.
- ii. It is not so easy to understand and operate.

3.7 FILING PROCEDURE

Let us study filing procedure which is usually used in organizations in case of physical record management.

Step 1: Receiving of a document

A letter or document which has been received through the physical mail is first recorded in Mail Inward Register. Then the same is stamped with 'dating and stamping machine'.

Step 2: Dealing with the Mail

After that, the letter/document is sent to the person that has to deal with it.

Step 3: Follow up Action

It is to be ensured that the action has been taken on the letter/document as required.

Step 4: Collecting Documents to be filed

All relevant documents and copy of the replies must be collected in a filing tray.

Step 5: Sorting

Bulky tags, pins and paper clips are removed from the documents and the same are sorted into convenient batches for filing. Always remember to sort and file by date order.

Step 4: Filing

File regularly so that you are never left with a huge pile of loose documents.

Step 6: Indexing

Carefully each document must be examined to decide under which heading it should be filed.

Step 7: Cross-referencing

In case a document to be filed in more than one heading/file, put cross reference cards.

Step 8: Storage

The following points to be taken care of while storing documents in files and cabinets:

- a) Use File Trays to keep documents that are waiting to be filed and not on the open shelves.
- b) Sorted batch of papers should be as per the classification method used in the organization.

- c) To avoid inconvenience, open one cabinet drawer at a time and shut it before opening the next.
- d) Insert documents into the file, in date order, placing the latest document on top.
- e) Return the file to the cabinet and remove the guide card, if inserted.
- f) Avoid bulky folders.
- g) Replace the file covers when these are worn or torn off with new ones.
- h) Avoid filing drawers or cabinets to become too bulky or heavy.
- i) Lock up all confidential documents.

In order to observe good housekeeping, a Secretary should leave the table tidy at the end of the day and place all waste papers in rubbish bins.

As a secretary, it is your duty to provide him/her all the necessary information and documents as and when required without any waste of time.

CHECK YOUR PROGRESS

1. Define the term – Filing. Also discuss various essentials of an efficient filing system.
2. Name various methods of classification of filing.
3. Alphabetical filing is the basis of all other types of filing. Do you agree with the statement? Also explain its advantages and disadvantages.
4. What do you understand by chronological classification of filing? Also discuss its advantages and disadvantages.
5. What types of organizations should adopt geographical filing? Also discuss disadvantages of geographical filing.
6. The simplest method of filing is by subject method. Do you agree with the statement? Explain the subject method of filing with the help of an example.
7. What are the horizontal and vertical methods of filing?
8. Explain the term indexing. Why is it important to have a proper indexing system in an organization?
9. What are the essential steps that should be followed for effective and efficient management of electronic records?
10. Discuss in brief Filing Procedure.

Run your meetings as you would have others run the meetings that you attend. (Don Jacobson)

UNIT IV

ARRANGING MEETINGS

INTRODUCTION

In every office, meetings are a common phenomenon to conduct business operations. Every Private Secretary has to arrange meetings of a well-managed group. Though directions are given by the executive as to when, where and for what purpose a meeting is to be conducted but it is the duty of the secretary to ensure that all logistics are provided to conduct the meeting in a qualitative manner. Therefore, it is important to understand how to plan, conduct and participate in meetings so that they produce good results. An active involvement of PA/PS is expected if he or she is working with a senior level executive whose responsibility is to chair a meeting.

Objectives

At the end of this lesson you will be able to:

- know the meaning of the meeting and also its importance
- understand different types of meetings
- list out the requisites of a valid meeting
- know duties before, during and after a meeting
- understand various terms relating to meetings

4.1 MEETING – MEANING, IMPORTANCE AND TYPES OF MEETINGS

A meeting may be generally defined as a gathering or assembly or getting together of a number of persons for transacting any lawful business, discussing certain matters of concern, making recommendations or taking decisions. In other words, a meeting is “any focused conversation which has usually a specific agenda.” There should be at least two persons to constitute a meeting.

Importance

In an organization, meetings help in smooth functioning of an organization. Basically, meetings may be organised to:

- transact official business.
- find solutions for problems.
- exchange ideas, opinions, etc. for growth of business.
- take decisions and make recommendations for the growth of business.
- plan new schemes.
- brief members on plans already made or proposals already finalised .
- discuss and make arrangements for a specific event.
- review the progress being made on a particular front.
- resolve conflicts, confusions and disagreements.
- change the existing policies and procedures.
- motivate staff by generating enthusiasm and positive attitude.

Types of Meetings

Broadly meetings may be categorized as -

- Public meetings
- Business meetings.

Public Meetings are those meetings which are open to the members of the public in general. These are generally held at some public place like a park or public hall. The purpose of these meetings may be to propagate some knowledge or belief. Notice of such meetings is served by announcements in the newspapers or by posters etc. Civic reception meetings, political meetings etc. are example of the public meetings.

Business Meetings are those meetings which are held by private bodies or associations in which affairs or business of the private body concerned are discussed. These are open to those persons only who are the members of that body or those who have been invited to attend. Business meetings may be classified as:

- i) General Meetings
- ii) Committee or Sub-committee meetings

General Meetings are those meetings which are for all the members of the body or organization concerned. At such meetings, the general business of the organization is transacted and discussed.

There are two types of general meetings:

- Annual General Meetings and
- Extraordinary General Meetings.

Annual General Meeting: It is a formal meeting that is held by companies once every year in order to deal with ordinary business. According to the Company Law, all companies are obligated to hold an annual general meeting every year. In this meeting, the company's executives, directors, and shareholders meet for the purpose of transacting ordinary business. The Annual Report of the company is presented to everyone gathered at the meeting. Some of the other businesses transacted at annual general meetings may be the appointment of directors of the company, adopting of the budget for the next 12 months, dealing with the remuneration of auditors of the company etc.

Before an annual general meeting is held, it is normally required that a 21-day notice is issued.

Extra Ordinary General Meeting: An extraordinary general meeting or the EGM is a meeting which is convened by the Directors of a company in order to deal with any special business that is so important that it cannot wait until the next annual general meeting (AGM) to be dealt with. These meetings do not have a regular time of occurrence and can be held anytime to deal with any urgent matter. Because of the nature of these meetings, they are normally called on short notices. A minimum of 14 days notice is generally required for an extraordinary general meeting.

Committee Meetings are the meetings in which only concerned or elected members are invited to attend. For example, Governing Body Meeting, Sales Committee, Canteen Committee or Finance Committee Meetings etc. Committee meetings may take the form of problem solving meetings, innovation meetings, team meetings etc.

4.2 REQUISITES OF A VALID MEETING

Every meeting needs to be planned in advance, so that it is successful. A meeting is said to be properly convened when proper notice of a meeting has been issued by a proper authority to all persons who have right to attend the meeting. Further, in a duly constituted meeting, there is a proper person in the chair to preside over it and the quorum is complete. The first step towards planning a meeting is that it must be properly convened and constituted. It is the duty of a PA/PS to know all the valid requisites of a meeting which are discussed below.

4.2.1 Notice of a Meeting

Notice of a meeting means advance information or intimation of a meeting so that the person receiving it gets an opportunity to prepare himself/herself for it. The notice of a meeting should contain the day, date, time and venue of the meeting. It must also indicate the purpose and nature of the meeting. If so required under the rules, copies of certain reports, statement etc, must also be enclosed or annexed to the notice. For example, in the case of an Annual General Meeting of the company, a copy of the Balance Sheet and Profit and Loss Account of the company and Directors' Report have to be sent along with the notice.

Issuing notice to all the members who are supposed to attend the meeting is mandatory and obligatory. The notice must be served in the manner prescribed as per the rules or constitution of the organization or body concerned. Notice should always be in writing.

Minimum notice period required for a meeting is also prescribed in the rules or constitution of the organization. For example, as also said above, in the case of an Annual General Meeting of a Company, the notice about the meeting must reach the members at least 21 days before the meeting.

A private secretary should ensure that the notice is circulated to all the members within the stipulated time.

4.2.2 Agenda of a Meeting

It is a practice to send an agenda along with the notice to the members who have to attend the meeting. An agenda is a programme of the items of the business to be discussed at a meeting in the order in which they are to be taken.

The purpose of agenda is to let all the members of the committee or organization give adequate information so as to enable them, prior to the meeting, ponder over the items of business to be discussed. Agenda is prepared by Secretary in consultation with the Chairperson and the items of business dealt with at the previous meeting are taken into consideration. The Secretary should make a note of any matters requiring the attention of the members, so that these may be included in the agenda for the next meeting.

An agenda could be a part of the notice of the meeting or can be annexed along with it. When the agenda is given as an annexure to the notice or circulated separately it contains the following information-

- Name of the organization and date of circulation
- The day, date, time and venue of the meeting
- The items of business to be transacted at the meeting
- The background paper or information, if any.

Sample of Agenda:

**NOTICE OF MEETING OF THE BOARD OF DIRECTORS OF THE
TEXAS ENVIRONMENTAL RESEARCH CONSORTIUM**

Notice is hereby given that a meeting of the Board of Directors of the Texas Environmental Research Consortium will be held on the 5th day of December 2013, at One o'clock (1:00) P.M., at Commissioners Court Conference Room, 1001 Preston, 9th Floor, Houston, TX 77002. Such meeting is a regular scheduled meeting.

Agenda items may occur in any order. The agenda for this meeting and the subjects to be discussed or considered up upon which any formal action might be taken are as follows:

AGENDA

- Convening of Meeting and Introductions
(Chairman Frels)
- Consideration and Approval of the Minutes of the
Board of Directors' Meeting – September 5, 2013
(Ivy Guice)
- Consideration and Discussion of Chairman's Report
(Chairman Frels)
 - Election of Dr. Steven Linder to TERC Board (Resolution)
 - Consideration and Reappointment of Certain Directors to New
Three Year Term
 - Elect TERC Officers for 2014
 - Appoint Executive Committee membership
 - Appoint Finance and Audit Committee membership
 - Update on Executive Director Search
- Consideration and Discussion of the Acting Executive Director's Report
(Jim Lester)
 - Report on Project Activities
 - CIAP Ozone & Air Toxics Projects (Jay Olaguer)
 - Consideration and Resolution regarding proposal submission to Port of
Houston Authority and Texas Department of Transportation for the siting of
instruments during the BEE-TEX field study
 - CIAP Particulate Matter Projects (Alex Cuclis)
 - Discussion of New Potential TERC Initiatives
- Finance and Audit Committee report

Sometimes, the first item on an agenda is the “confirmation of minutes of the previous meeting” and the last item is “any other matter with the permission of the chair”. Other matters are arranged according to their importance. The routine matters are put first and then the controversial matters.

4.2.3 Quorum of a Meeting

The word “quorum” is derived from Latin and may be defined as the minimum number of members who must be present at a meeting as required by the constitution or rules. No important decisions can be taken or business transacted in a meeting without a proper quorum. A meeting is not properly constituted if the quorum is not present and any business transacted at such a meeting will be invalid. The main Purpose of having a quorum is to prevent a small minority from taking decisions which may be unacceptable to the majority of the members.

The number of members required to complete a quorum is given in the rules of the organization. For example, in the case of the meetings of the Governing Body of a College, it may be provided that quorum will be one-third of the total strength of the Committee, whichever is .

4.2.4 Chairperson of a Meeting

In the context of a meeting, Chairperson is the person who presides over a meeting. The person in charge of a meeting or organization is referred to as the chair, or sometimes the chairperson. These words can be used to refer to either a man or a woman. In other words, it is necessary to designate a chairperson to preside over and conduct the proceedings of a meeting in proper manner according to the rules and constitution. The other points of importance of chairperson in a meeting are to:

- approve the items to be discussed on the agenda
- manage the proceedings of a meeting and keep order
- conduct the business according to the agenda and constitution/standing orders/rules and keep the discussion within the prescribed limits.
- deal with points of order
- provide guidance in the discussion and assist the meeting to make decisions by passing resolutions, amendments, etc.
- take a vote or poll and declare the result

- do signature on the minutes and ensure that action is taken, as approved
- adjourn or postpone meetings
- exercise casting vote

4.2.5 Motions and Resolutions

A **motion** is a proposal put before a meeting for its consideration and decision. The business of a meeting is transacted through motions.

A motion must normally be written and handed to the Chairperson or Secretary before the meeting. A member who wants to put a proposal, first of all secures the permission of the chair and then introduces the motion. The mover of the motion speaks of it and has the right of reply at the close of the discussion. A motion is then required to be seconded by another member, who is called the seconder. If there is no seconder, a motion is dropped and cannot be introduced again. However, no seconder is required if the motion is moved by the Chairperson. After a motion is formally put before the meeting, the Chairperson asks members to express their views on it. Therefore, when put to a meeting, the motion becomes “the question” and when a decision is taken after discussion and is passed then it is called “the resolution”.

A resolution is defined as the formal decision of the meeting on any proposal put before it. A resolution if adopted and recorded in the minutes becomes the official decision of the meeting. Usually the rules provide for passing of two kinds of resolutions: ordinary resolutions and special resolutions.

A resolution which is passed by a simple majority of votes is called **ordinary resolution**. Simple majority means that the votes cast in favour of the resolution must exceed the votes cast against it. **Special resolution** is a resolution which is passed by a three-fourths majority. Votes cast in favour of the special resolution must be at least three times more than the number of votes cast against it. The matters for which special resolution must be passed are specified in the rules of the body concerned.

An **amendment** is a proposal to alter a motion by adding or deleting words. Before a motion is voted upon and adopted, an amendment may be proposed. It must be also proposed and, seconded and passed in the meeting in the customary manner. When the motion of amendment is moved, seconded and accepted, discussion on the original motion ceases and discussion on the motion of amendment starts. After the discussion, it is put to vote and if it is passed, the original motion is amended.

4.2.6 Adjournment of a Meeting

It means suspending the proceedings of the meeting either for a particular time or indefinitely. Subject to the articles, rules or constitution of an organization, the Chairperson, with the consent of members of the meeting, may adjourn it in order to postpone further discussion. If it is carried, the meeting is adjourned to the agreed date or indefinitely.

A Chairperson, can adjourn the meeting when there is no quorum or the meeting becomes so disorderly that it is impossible to transact the business at his own discretion. In other words, he/she can adjourn the meeting or a discussion for a bona fide purpose.

4.2.7 Minutes of a Meeting

Minutes of a meeting may be defined as a record of the proceedings of a meeting and are kept to preserve a brief, accurate and clear record of the business transacted. The term 'Minutes' in literal sense means a note to preserve the memory. The minutes of any meeting serves as an official record of what took place i.e. the points discussed and decisions taken during any meeting. One must be very alert and accurate in taking down minutes of meeting.

Before the Meeting, choose your medium carefully with which you will take notes, i.e. pen and paper, laptop, computer, or tape recorder. Also ensure that the same is in working order and have a backup facility in case of emergency. It is important to refer the meeting agenda to formulate an outline of minutes of meeting.

During the Meeting

- Get a list of committee members and pass around an attendance sheet.
- Note the time when the meeting begins.
- Don't try to write down every single comment -- just the main ideas.
- Write down motions, which made them, and the results of votes, if any; also write down who seconded a motion.
- Make note of any motions to be voted at future meetings.
- Note the ending time of the meeting.

After the Meeting

- Type up the minutes as soon as possible after the meeting, while everything is still fresh in your mind.
- Include the name of organization, name of committee, type of meeting (daily, weekly, monthly, annual, or special), and purpose of meeting.

- Include the time the meeting began and ended.
- Proofread the minutes before submitting to the executive for obtaining relevant signatures.

A draft is generally submitted to the chairperson for approval before the final copy is typed.

Sample of Minutes of Meeting

Minutes of First Meeting of Directors

XYZ Limited – Company Number 01020304

Date held: Tuesday 14th January 2014 – commencing 10.00am

Held at: 17 Welham Drive, Newtown, Countyshire

Directors Present: Fred Astaire - appointed chairperson of the meeting
Ginger Rogers

1. Quorum

It was confirmed that notice of the meeting had been given to all the Directors of the Company.

It was noted that a quorum of Directors was present at the meeting in accordance with the Company's Articles of Association.

2. Appointment of Chairperson

IT WAS RESOLVED that Fred Astaire be appointed Chairperson of the Board of Directors.

3. Company Formation

It was reported that the Company was incorporated on 10 January 2014 under Company Number 01020304.

The following documents were presented to the meeting:

- The certificate of incorporation
- A copy of the Memorandum and Articles of Association of the Company filed at Companies House

4. Registered Office

It was noted that the registered office of the Company is situated at 17 Welham Drive, Newtown, Countyshire.

4.3 SECRETARIAL DUTIES RELATING TO MEETINGS

It must be understood that there is no direct authority and responsibility of a private secretary for convening and conducting a meeting. But it is one of his/her duties to assist the executive in the performance of all the secretarial work relating to meeting. Secretarial work relating to a meeting may be before, during and after the meeting.

Before the meeting, a secretary has to -

1. ascertain the date, time and place i.e. when and where the meeting is to be held in consultation with the executive and take steps to make preparations accordingly e.g. booking of the committee/conference room, hotel etc.
2. draft the notice and agenda and get it approved.
3. get adequate number of copies of the notice, agenda and reports etc., if any required to be sent along with the notice and send the same to all the members who have a right to attend the meeting.
4. check in advance all logistics viz. air-conditioning system, blowers etc. in the meeting room and to arrange for public address system, OHP/LCD/Screen and other equipment that may be required and to see that sufficient number of chairs are made available in the meeting room keeping in view the number of invitees.
5. book in advance necessary orders for refreshment and lunch.
6. keep ready (i) the items of stationery such as writing paper, pen, pencil, (ii) spare copies of agenda, (iii) minutes of the previous meeting, (iv) the papers, reports, statements and other documents likely to be required at the time of the meeting including letters of apology received from the members unable to attend, (v) attendance sheets or register, (vi) any books of reference, standing orders etc.

Secretarial duties during the meeting are to:

1. obtain signatures of the members present in the Attendance Book or on Attendance Sheets.
2. help the chairperson in ascertaining the quorum.
3. keep before the Chairperson the necessary papers, filed and documents for ready reference and to distribute papers and documents, if any, to the members.
4. read, if required, the notice of the meeting, apologies for absence, minutes of the last meeting and Auditors' Report etc., if directed by the Chairperson to do so.

5. see that refreshment is served properly.
6. supply necessary information, if any, regarding rules of procedure, papers and documents required by the Chairperson while conducting the proceedings of the meeting.
7. take notes of the proceedings of the meeting.

After the meeting, it is the duty of the secretary to:

1. prepare draft minutes and when approved, get the same typed in proper form.
2. see that the meeting room is left in good order, check the room for papers or personal items left behind by the departing participants, arrange to return borrowed equipment, to have unused supplies and exhibits picked up.
3. arrange for carrying out decision taken in the meeting and to ensure that proper intimation is given to those who are associated with given assignments.

4.4 TERMS RELATING TO MEETING

Ad hoc subcommittee: Adhoc means ‘arranged for this purpose’. An ad hoc subcommittee is appointed for the purpose of carrying out one particular piece of work, such as the arrangements for the visit of a VIP. These committees are also called special purpose committee.

Addressing the Chair: All remarks must be addressed to the chairperson and members must not discuss matters between themselves at a meeting.

Attendance Sheet: A record of people present at a meeting, usually provided at a sheet which is passed round for signature by members.

Casting Vote: A vote usually allowed to the Chairperson. A casting vote is used only when there are equal numbers of votes ‘for’ and ‘against’ a motion.

Convener: A person authorized to call a meeting.

Co-opted Member: A person who serves on a committee as a result of the committee’s powers of co-option, i.e. the committee approves of the appointment of a co-opted member by a majority vote in order to engage the services of a person qualified to assist them in their work.

Ex-officio Member: A person who is a member of a committee by virtue of office.

Memorandum and Articles of Association: These are regulations drawn up by a company setting out the objects for which the company is formed and defining the manner in which its business shall be conducted respectively.

Point of Order: A point of order is a question regarding the proceedings of a meeting or a query relating to the standing orders or constitution of the meeting. For example, a member may draw the attention of the Chairperson to the fact that there is no quorum or the motion put before the meeting is not within the scope of the meeting or there is use of improper language or indecent behaviour. When a point of order is raised, debate on the main motion will stop. The Chairperson will give his decision at once which will be final and binding. After the settlement of the point of order, discussion on the main motion will start again.

Poll: Poll is the term given for the method of voting at an election and in a meeting this usually takes form of a secret vote by ballot paper.

Proxy: A person appointed to attend a meeting and vote on behalf of a member who is unable to attend.

Rider: A rider is an additional clause or sentence added to a resolution after it has been passed.

Standing Orders: These are the rules compiled by the organization regulating the manner in which its business is to be conducted. It may also have the title ‘constitution’.

Status quo: Used to refer to matter in which there is no change.

Teller: A person who counts the votes at a meeting.

Web Conferencing: Web conferencing enables the real-time sharing of computer screens, individual applications or web-based content among two or more computers or mobile devices.

It works the same way in the virtual world as it does the real world. Web conferencing platforms may be internet based and delivered via software, which enables the users to hold live meetings and conferences. Web conferencing covers also online collaborative services like web seminars ("webinars") and webcasts (it is considered to be a video broadcast of an event transmitted across the internet).

Ultra vires: Beyond the legal power or authority of a company or organization.

Unanimous: When all members of a meeting have voted in favour of a resolution, it is said to be carried ‘unanimously’.

CHECK YOUR PROGRESS

Answer the following questions:

1. Define the term – Meeting. Enumerate the various types of meetings.

2. Explain the requisites of a valid meeting.
3. Differentiate between Agenda and Minutes of Meeting.
4. Discuss the various secretarial duties before, during and after a meeting.
5. Explain the following terms:
 - (a) Casting Vote
 - (b) Proxy
 - (c) Rider

“In order to ensure executive’s travel productive and stress-free, as a Private Secretary it’s your responsibility to plan and organize all adequate arrangements.”

Unit-V

TRAVEL ARRANGEMENTS

INTRODUCTION

As it is imperative for business executives to make outstation tours to attend conferences, meet customers, finalize tenders, study new projects etc., it is the responsibility of a professional secretary to make his/her travel arrangements. It is the secretary’s duty to plan the business tour in such a way that a great deal of cost, time and energy of his/her executive is saved.

When a secretary is informed about the travel plans, she/he is supposed to schedule the same according to travel policies of the company. All big organisations have defined policies and procedures which are to be obeyed by its employees while travelling so that travel expenses made by them could be settled. All travel expenses incurred like travel ticket, car rental, hotel accommodation; meal allowances, etc. are reimbursed to the executive when on an official tour.

A secretary designs tour programme of the executive and also inform all the associates in the department, so that they can get in touch at all times while the executive is travelling, if needed, in order to run office work smoothly.

Making travel arrangement is an art, as a properly designed tour programme increases the efficiency of the executive and keeps him/her satisfied.

OBJECTIVES

After going through this lesson, you will be able to:

- enumerate the different modes of travel
- identify the formalities needed to make rail and air reservations
- explain the role of travel agencies
- prepare an itinerary
- make arrangements for travel in accordance with organisational policies
- know the various documents needed for an overseas tour

5.1 MODES OF TRAVEL

Various modes of travel include air, rail, road, water etc. Each mode has its own merits and demerits and is chosen on the basis of cost, speed, route and capability.

Normally, business travel is multi-modal. When more than one mode of transport is used for a journey, the journey is described as multi-modal. The following modes of travel are commonly used by executives while on business tour:

- a) Private Car, Taxi or Cabs
- b) Bus
- c) Railway
- d) Air

Private Car, Taxi or Cabs

It provides ad-hoc services at rider's desire. This is resorted for travelling short distances within the country. Though this mode of travel is bit expensive but it offers flexibility of travel. The concept of cabs (radio taxis) is very popular now-a-days. But private car and taxi have lower capacity and are, sometimes, time consuming.

There is no elaborate procedure involved in booking cars and taxis. A person can either book a car/taxi on telephone, on-line or approach personally local taxi stand. Cab users usually download the various service applications on their mobile and make use of the same, whenever the service needed.

Bus

The cheapest mode of transport is the bus. We know that every city has a well developed system of buses. Luxury and air conditioned buses are available to make travel comfortable. For booking a ticket in a bus, there are not much formalities needed. Like private car/taxi, a ticket can be booked on-line, on telephone or by approaching local bus terminal.

Railway

Rail travel is very important mode of travel between different cities. Train travel can bring much comfort and convenience to the travellers. Unlike planes, one can use cell phone on trains. The seats on a train are comfortable and trains are rarely delayed due to bad weather.

India has one of the most spectacular rail networks in the world. Advance reservation is necessary for rail travel. One can refer to time table published by Indian Railways which is published at regular intervals or visit the website - w.w.w.indianrail.gov. to find out the different classes of services offered by Indian Railways to its passengers. One can go for booking tickets on internet and check for all the enquiries like Train Alert, PNR Status, Train

Status, Seat Availability, Train Schedule, Train Information, Train Time Table, Train Fare etc.

One can send SMS on 57886 through mobile phone to get any information on railways.

5.2 HOW TO MAKE RAILWAY RESERVATION

For booking reservation in railway trains personally, Railway Reservation Slip is to be filled in with particulars about journey, trains and persons travelling. This slip is also used for cancellation of journey, if so required. A specimen of railway reservation/cancellation form is given below:

Reservation/Cancellation Requisition Form

If you are a Medical Practitioner

Please tick () in Box

(You could be of help in an emergency)

Dr.

If you want Sr. Citizen Concession, please write Yes/No in Box

(if yes, please carry a proof of age during the journey to avoid inconvenience of panel charging under extant Railway Rules)

Do you want to be upgraded without any extra charge? Write

Yes/NO in the box.

(if this option is not exercised, full fare paying passengers may be upgraded automatically)

Train No & Name

Date of journey

Class

3A

Number of Berth/Seat

Station From

To

Boarding at

Reservation upto

S.No.	Name in Block Letters (not more than 15 letters)	Sex(M/F)	Age	Concession/Travel Authority No.	Choice (Lower / Upper Berth)	Me Ex
1.		--			--	
2.		--			--	
3.		--			--	
4.		--			--	
5.		--			--	
6.		--			--	

FOR OFFICE USE ONLY

S.No. of Requisition _____

PNR No. _____

Berth/Seat No. _____

Amount collected _____

Signature of Reservation Clerk

NOTE :

1. Maximum permissible passengers is 6 per requisition.
2. One person can give one requisition form at a time.
3. Please check your ticket and balance amount before leaving the window.
4. Forms not properly filled or in illegible forms shall not be entertained.
5. Choice is subject to availability

For rail e-ticket booking in India, Register as an individual. Registration is free. The e-booking procedure of railway and air ticket is almost the same. The same is discussed in the section just below.

The screenshot shows the IRCTC website homepage. The header includes the IRCTC logo and the text "Indian Railway Catering and Tourism Corporation Limited" and "Centre For Railway Information Systems (An organisation of the Ministry of Railways, Govt. of India)". The main navigation bar contains links for E-Catering, E-Bedroll, Cab / Bus, E-Wheelchair, Flight Tickets, Accommodations, Mobile Apps, IRCTC Tourism, and IRCTC PrePaid Card. Below this, there are links for Train/Coach Booking (FTR), National Voter's Services Portal, Mahila E-Haat, IRCTC eWallet, Travel Insurance, IRCTC Loyalty Program, and Standard Menu Rates. A "Launch" button is visible. The "Alerts & Updates" section contains information about train no. 12378 and Aadhaar verification. The "Login" section has fields for User ID, Password, and Captcha, with a "Login" button. The "IRCTC Attractions" section features a "FLY WITH IRCTC" banner and a list of advantages: Quick Cancellation & Quick Refund, Lowest Cancellation Charges, Multiple Payment Options Avail, Transparent Charges, and 24x7 Customer Care. A "BOOK NOW" button is also present.

The screenshot shows the IRCTC e-Ticketing Service Electronic Reservation Slip. The header includes the IRCTC logo and the text "IRCTCs e-Ticketing Service Electronic Reservation Slip". The main content area contains the following details:

- Transaction ID:** 0298356058
- PNR No:** 2412133992
- Class:** SL
- Train No. & Name:** 9020/DEHRADUN EXP
- Date of Journey:** 07-Oct-2010
- Distance:** 1366 KM
- Date of Booking:** 05-Oct-2010 09:10:14 AM
- Date of Boarding:** 07-Oct-2010
- Quota:** Tatkal
- From:** H NIZAMUDDIN(NZM)
- To:** BANDRA TERMINUS(BDTS)
- Total Fare:** Rs 473.00
- Boarding:** H NIZAMUDDIN(NZM)
- Resv Upto:** BANDRA TERMINUS(BDTS)
- Adult:** 1 Child: 0
- Scheduled Departure:** 21:55*

* Departure time printed on the ERS is liable to change. New time table from 01-Jul-2010.

SNo.	Name	Age	Sex	Concession Code	Booking Status/Current Status	Coach No/Seat No/Berth
1.	Bharat Tripathi	17	Male		CONFIRM	S7/ 0036/ LB

IRCTC Service Charge: Rs 10.00

5.3 AIR TRAVEL

Air travel has become extremely popular for long distance travelling and is widely used by top and middle level executives. Air transport has in the recent past become relatively economical due to competitive prices. Further, it is a fast and reliable mode of transport. The decline in prices has increased its demand. Like rail travel, advance reservations are also necessary for all airline flights.

Air travel can be divided into two:

- Domestic flights
- International flights

In addition to Air India, there are several private airlines services which operate on both domestic and international routes.

For booking airline reservation, a person can:

- buy a seat on line
- walk into any counter at airport or city airline office

Booking an air ticket through internet is just a few clicks away. To book an air ticket online, we need a credit card or a net banking account. Online air ticket booking sites have been provided by airlines and booking agents. Some of sites of online air ticket booking are goibibo, yatra.com, cleartrip.com, makemytrip.com, expedia etc. In addition, the sites also provides help to –

- provide information about the discounts in fare and hotel packages
- find out latest offers from different airlines
- avail special offers given by different banks to credit/debit card holders
- select extra insurance and other schemes provided by third party companies

Air Ticket Reservation

It is very simple to book an air ticket online. First you have to select whether it is a one way trip or round trip. Then select the travelling dates – for one way trip select the starting date and for round trip select the return date too. Then you have to select the source and destination cities. You can scroll down through all major cities and towns in India. Once the source and destination is selected then you have to specify number of passengers including children and infants. After giving all these details, click on search and it will display all available flights from different airlines on the particular date.

After selecting your convenient flight, click on Book button to go to the billing page. In the billing page, you have to enter your personal details including email id and phone number. It will take you to the payment page for selecting a payment option. Most airlines accept two types of payment - one is through a credit or debit card and next is via a net banking account. Select your payment method and fill the necessary details. Once this step is completed, you will get a confirmation page and one email in your specified email id within few seconds.



4/15/2017 Travelport Viewtrip - My Trip

My Trip

FRI, JUN 02, 2017 - Delhi (DEL) to Guangzhou (CAN) - Confirmed

China Southern Airlines (CZ) 3028

DEPART **11:50 AM DEL** NON STOP ARRIVE **7:30 PM CAN**
5H 10M

PASSENGERS

Name	eTicket Number	Special Services
KHURANA, VIJAYKUMARMR	7841262708051	
KHURANA, DIVYAMRS	7841262708053	
KHURANA, DHRUVMR	7841262708055	
KHURANA, KRISHANKUMARMR	7841262708057	

China Southern Airlines 3028
Class Of Service: Economy

AIRPORT INFO
Delhi Indira Gandhi Intl (DEL)
Delhi, IN
Terminal 3

to

Baiyun International Arpt (CAN)
Guangzhou, CN

FLIGHT INFO
Airbus A330-200
Dinner

FRI, JUN 02, 2017 - Guangzhou (CAN) to San Francisco (SFO) - Confirmed

China Southern Airlines (CZ) 657

DEPART **10:05 PM CAN** NON STOP ARRIVE **7:40 PM SFO**
12H 35M

PASSENGERS

Name	eTicket Number	Special Services
KHURANA, VIJAYKUMARMR	7841262708061	
KHURANA, DIVYAMRS	7841262708063	
KHURANA, DHRUVMR	7841262708065	
KHURANA, KRISHANKUMARMR	7841262708067	

China Southern Airlines 657
Class Of Service: Economy

AIRPORT INFO
Baiyun International Arpt (CAN)
Guangzhou, CN

to

San Francisco Intl Arpt (SFO)
San Francisco, CA, US
Terminal I

FLIGHT INFO
Boeing 777-300
Dinner

<https://viewtrip.travelport.com/#/itinerary?loc=B3K6ZM&Name=Khurana>
13

Thus, there are many ways that helps you in making flight reservations on the net. You can make use of number of travel sites to find out what prices are obtainable for your executive's tour itinerary. It is so interesting to note that some of the travel websites allow you to choose the fare you are eager to shell out and then provide help to find the tickets for that price. To book the flight reservation, you can also contact the airlines directly. The advent of modern technology has made flight reservation a cakewalk.

Various travel agencies also do provide facilities by booking tickets on commission basis.

5.4 E-TICKET AND PAPER TICKET

Both, railways and airlines support e-tickets. You can take a printout or show the screen shot of the ticket along with an identification proof at the time of travelling. A soft copy of ticket in a mobile is also as good as a paper ticket. For the travel, any valid photo identification proof like original passport, Voter's ID, Aadhar Card, Driving license etc. is mandatory.

For international travel, passengers require to be in possession of valid passport, visa and/or entry permits and health certificates as required. Embarkation forms (this is part of the immigration formalities required to be concluded for your visit to the country, and contains the personal, passport and visa details which are to be filled up by you in addition to the flight details. The form is to be submitted at the immigration counter where your entry to the country shall be stamped in the passport) should be duly filled and submitted to customs and immigration authorities before boarding the aircraft.

5.5 TRAVEL AGENCIES

Travel agencies help travellers by sorting through vast amount of information to help their clients make the best possible travel arrangements. Travel agents offer advice on destinations and make arrangements for planning itineraries, transportation, hotel accommodations, car rentals, tours etc. for their clients. Travel agents are also expected to be able to advise travellers about their destinations, such as the weather conditions, local ordinances and customs, attractions, and exhibitions. For those travelling internationally, agents also provide information on customs regulations, required documents (passports, visas, and certificates of vaccination), travel advisories, and currency exchange rates. In the event of changes in itinerary in the middle of a trip, travel agents intervene on the traveller's behalf to make alternate booking arrangements, which avoids lots of inconvenience.

Some travel agencies specialize in commercial and business travel only. Travel agencies do have a separate department for senior executives and business travellers to cater their special needs. There are also travel agencies that serve their clients by having offices in various countries.

A good travel agent can save endless hours of searching the travel information. They protect clients' interest by providing the best possible services at the most economical rates and offering special discounts.

It is very important to select a good travel agent to take care of travel arrangements for your executive's tour. While searching on internet, you will find that several companies are engaged for years in tourism and travel trade. You have to select really a good travel agent

who has been in this line of business for quite some time. One of the first questions, you should consider is how long the agency has been in this business. In order to find out their credentials, one can read the reviews of the customers available online. This would give an opportunity to assess the scope and skills along with the genuineness of the facilities which are being offered by the agency. As said, a reputed travel agency has its offices in different cities.

Travel agents work on commission basis and do charge from their clients for providing various services. Thus, while making travel arrangements, it is important to search sites available on the internet which provide information of reputed travel agents and give complete information about the various services offered by them along with the previous clients' reviews and experiences.

5.6 HOTEL RESERVATION

Based on your executive's eligibility and preferences, you have to find out the various facilities offered by the hotel which you are planning to book. These may include internet access, non smoking areas, swimming pool, fitness centre, restaurant, book shop, etc.

You can search for good hotels on line and do booking for all good reputed hotels in any part of the world. Various sites help in comparing the rates offered by different hotels and provide all the relevant information. Once the hotel is booked online, confirmation of the same is sent on email address provided. One can check the reservation status or cancel the reservation, if needed, by the link provided in the confirmation that is sent to on e-mail.

A rating system of 'one to five stars' is there which helps the prospective clients to compare the facilities offered by different hotels.

5.7 ITINERARY

It means a detailed tour programme for any person or a party. The success of your executive's tour depends upon how well a secretary can help him/her while planning stage. When your executive gives full particulars of his/her tour programme, you should prepare an itinerary and circulate it to all concerned officials to whom he has to confer. It is the duty of secretary to prepare an itinerary so that the tour of the executive takes place without any trouble.

The following points must be kept in mind while preparing an itinerary:

1. The time and place of departure and arrival
2. The mode of travel preferred

3. Sequence of visits
4. Hotel Accommodation (Motel is a roadside hotel designed primarily for motorists usually situated on highways)
5. Conveyance between hotels and railway station/airports
6. Appointments and meetings of the executive

Sincere planning and a thoughtful consideration on the executive's preferences, comfort and convenience is primarily necessary while preparation of itinerary. Once basic planning done, final approval of executive is necessary before making any specific engagements and bookings.

Samples of itinerary template:

ITINERARY OF MR AMIT VERMA, GENERAL MANAGER

Date/Time	Departure Station	Arrival Station	Train No/ Flight No.	Purpose	Remarks

Prepared For: _____ Event or Purpose: _____

Travel Dates: Departing: _____ Returning: _____

Notes:

Leg 1

Depart From: _____ To: _____ Flight # / Train # _____

Airline or Carrier: _____ Gate and/or Terminal: _____

Check-in Time: _____ Depart Time: _____ Arrival Time: _____

Transfer Y/N: _____

Leg 2

Depart From: _____ To: _____ Flight # / Train # _____

Airline or Carrier: _____ Gate and/or Terminal: _____

Check-in Time: _____ Depart Time: _____ Arrival Time: _____

Transfer Y/N: _____

Leg 3

Depart From: _____ To: _____ Flight # / Train # _____

Airline or Carrier: _____ Gate and/or Terminal: _____

Check-in Time: _____ Depart Time: _____ Arrival Time: _____

Vehicle Rental:

Rental Company: _____ Class or Model: _____ Reservation #: _____

Pick-up Date: _____ Time: _____ Drop-off Date: _____ Time: _____

Beginning Mileage: _____ Ending Mileage: _____ Fuel Expense \$\$: _____

Hotel / Accommodations:

Hotel Name: _____ Hotel Address: _____ Phone#: _____

Reservation Number: _____

Check-in Date: _____ # of Nights: _____ Check out Date: _____ Time: _____

5.8 ORGANIZING TRAVEL

After making all the travel and accommodation arrangements for your executive, a secretary is required to perform other important duties. Before departure on tour, the private secretary should hand over all the related papers and other things to the executive. These may include:

- A copy of itinerary
- Transportation tickets
- Hotel Reservation confirmation print outs
- Financial instruments, if required (Cash, credit cards, traveller's cheques etc.)
- All relevant documents, reports, proposals, files, agenda of meeting etc.
- Telephone nos., e mail addresses of all concerned people
- Necessary stationery, pen drives, hard disk etc.

It is important to prepare a check list and then make preparations accordingly. If you are an efficient secretary, then your executive has every reason to anticipate his travel information i.e. who, what, when and where of his various travel reservations.

5.9 TOUR ADVANCE AND TOUR CLAIM

All the expenses concerning official travel are reimbursed by every company to the staff as per the policies/procedures laid down. It is the duty of the secretary to discuss and find out the adequate amount which may be needed by the executive to incur various expenses during the tour and draw the same from the Finance Department. Usually, before leaving for official tour, a Tour Advance Form which contains complete details of journey to be performed is filled up to draw necessary advance.

After completion of the journey, Tour Claim Form is filled-in by the Secretary. It contains in detail the actual expenses incurred by the executive while performing the journey viz. boarding and lodging expenses, conveyance expenses, etc. Tour advance already taken, if any, is also filled up in the Tour claim form and, accordingly, the private secretary draws the balance amount or returns the excess amount. Tour claim form is accompanied with all relevant bills of hotel, travel tickets or other expenses incurred.

5.10 OVERSEAS TRAVEL ARRANGEMENT

If your executive has to proceed on an international tour, he/she will require a variety of travel documents apart from an itinerary, meeting notes and so on. The necessary documents needed for tour to foreign countries include:

- Passport
- Visa
- Health documents
- Travel Insurance Policy

Passport

A passport is a travel document, usually issued by a country's government, that certifies the identity and nationality of its holder for the purpose of international travel. Standard

passports may contain information such as the holder's name, place and date of birth, photograph, signature, and other identifying information. There are three types of Indian Passport, which are:

- Regular Passport has a Navy Blue cover and is issued for ordinary travel, such as vacations and business trips.
- Diplomatic Passport has a Maroon cover and is issued to Indian diplomats, top ranking government officials and diplomatic couriers.
- Official Passport has a White cover and it is issued to individuals representing the Indian government on official business.

VISA

Visa (often said to be Visitors Intended Stay Abroad) is a document issued by a country to a person to formally ask the traveling country for permission, with a specific reason for a stipulated amount of time. All the countries have their own VISA laws and it is up to the country to allow a traveler to allow him/her or not. A visa does not guarantee entry, a person may also be rejected after getting permitted.

Visa is granted by High Commission/Embassy/Consulate of a country subject to eligibility and on an application made in the prescribed form. The application for visa must be supported by the necessary documents.

When visa is granted, it is endorsed on the passport indicating the period of stay in the country.

Types of Visa: Tourist Visa, Student Visa, Employment Visa, Business Visa, Pilgrim Visa, etc.

Health Documents

Before travel, it is important to find out country specific information regarding health check up to be performed. Most of the countries have made it mandatory for visitors to get vaccinated prior to their visit as a precautionary measure.

Travel Insurance Policy

Travel insurance policy covers several risks associated with unfortunate events such as baggage loss, passport loss, a medical emergency or an accident. Having Overseas Travel Insurance ensures that in a foreign land, you do not feel helpless in any kind of an emergency.

Foreign Exchange

Foreign Exchange (or Forex) is exchange of one currency for another. It also means conversion of one currency into another currency. All travellers intended to travel abroad require foreign exchange. Information regarding currency regulations should be found for each country. This includes details of how much currency can a passenger bring into the country and how much foreign exchange can a passenger carry out of a country.

In addition to above, travel Vouchers and maps are another important documents which may be needed while executive's travel. As discussed, travel vouchers are provided for various bookings undertaken usually on email id provided viz. Travel tickets, car rental confirmations, hotel accommodation etc.

It is important to note that while travelling abroad, your executive may feel 'jet lag' which means extreme tiredness and other physical effects after a long flight across several time zones. In other words, he/she may be tired and slightly disoriented for days after arriving, accompanied by a lack of concentration and motivation, especially for any activity that requires effort, such as reading or discussing a business deal. So, all meetings scheduled abroad to be taken care of and the time zone differential respected among various countries to avoid any embarrassed situation at a later date.

CHECK YOUR PROGRESS

1. State which of the statements given below are true and which are false:

- (i) Most of the airlines support e-tickets.
- (ii) Air travel is not a popular mode for long distance travelling.
- (iii) For Rail and air travellers, advanced reservation is necessary.
- (iv) Before making a flight reservation, firm's policies must be considered.
- (v) You do not need a credit card for booking online tickets.
- (vi) Your executive itinerary should contain information about his qualifications and experience.
- (vii) Before your officer's departure on tour, he/she should have with him/her, among other things, a complete list of persons whom he/she wants to meet during the tour.
- (viii) It is not the responsibility of the secretary to arrange conveyance from the residence of the executive to the Airport.
- (ix) The easiest way of getting travel reservations done is through a Travel Agent.
- (x) It is not possible to get a hotel accommodation reservation in other countries when you are sitting at office.
- (xi) Good travel agencies also provide the car rental services.

2. Complete the sentences given below:

- (i) An itinerary is _____.

- (ii) Tour Claim form is filled, once the journey is _____.
- (iii) Within few seconds, You can check your reservation status or cancel the reservation _____.
- (iv) The job of travel agents is _____.
- (v) It is the duty of _____ to arrange the travel arrangements of the executive.
- (vi) Foreign currency is required for _____.

3. Answer the following questions:

- (a) How will you select a good travel agent for your executive?
- (b) When your officer plans a tour, what points you will keep in mind to make his/her successful?
- (c) Make an imaginary itinerary of your executive with five entries.
- (d) Differentiate between passport and visa.
- (e) What general preferences of boss you need to know while making reservation for executive's travel?
- (f) What is the difference between Tour Advance and TA Claim?
- (g) Explain in details the formalities required for Overseas Travel?
- (h) What is e-Ticketing? Write down the process?

People have lot of faith in banking industry as the industry has contributed a lot not only in country's economic growth and its prosperity but of an individual's too.

Unit - VI

BANKING SERVICES

Introduction

A bank is a financial company that works with the money. It helps the public to deposit their money and give them credit whenever they need it. During lending money, they collect extra money called banking fees with which they pay interest to savers as well as salaries for their workers. Banks make a profit because they collect more interest than what they pay to savers. Without banks the world's economy would not be able to grow. Investors would not find the money they need for new projects and industries would not buy new machines/modern technology.

OBJECTIVES

After going through this lesson, you will be able to:

- know various services provided by banks as on date viz. deposits, advancing loans, transfer of funds etc.
- understand common terms relating to banking transactions/industry

6.1 SERVICES PROVIDED BY BANKS

a) DEPOSITS

- **CURRENT DEPOSITS (DEMAND DEPOSITS) ACCOUNT**

It is a running account for a businessman with minimum number of restrictions. One can make any number of deposits and withdrawals in a single day. A bank grants overdraft facility in this account.

- **SAVING DEPOSITS ACCOUNT**

It is an account opened by a person who wishes to save some part of his income for meeting the unforced expenses and also future needs. It is also a source of income on the savings made by him. This account provides a nominal rate of interest and a person can deposit as many times in a day. All the entries of deposits made and withdrawn are entered in a small book called Pass Book. The specified rate of interest given by the bank on the amount deposited in the saving bank account keep varying. This rate of interest is fixed by Reserve Bank of India. It is 4% currently. To open this account, one has to complete all the formalities required by the Bank such as photograph of the person, Aadhar card, residential proof etc.

- **FIXED DEPOSITS (TIME DEPOSITS)**

These types of accounts are for a fixed period. The depositor can deposit the money in fixed deposit for a specific period that can vary from 90 days to any number of days. The rate of interest is more than saving deposit account and the interest is payable on the maturity of account. The rate of interest differs from bank to bank and also depend upon the amount of deposit. The higher the amount of deposit for a longer period, the higher is the rate of interest.

- **RECURRING DEPOSITS ACCOUNT**

It is also called Term Deposit which can be opened for a specific period and a specific amount is deposited every month during that term of period. On this deposit, the rate of interest given is slightly less than fixed deposit which is given on the maturity of account.

b) ONLINE BANKING

Online banking, also known as internet banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institutions to conduct a range of finances through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services.



c) MOBILE BANKING

Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct financial transactions remotely using a mobile device such as a mobile phone or tablet. It uses software, usually called an app, provided by the financial institution for the purpose. Mobile banking is usually available on a 24-hour basis. Some financial institutions have restrictions on which accounts may be accessed through mobile banking, as well as a limit on the amount that can be transacted.

d) TRANSFER OF FUNDS

Transfer of funds within your own accounts is known as Fund Transfer. Transfer of funds can be made to third party account also held in the same or different bank. It is used to transfer funds to another account that belongs to somebody else but in the same bank (not necessary to be in the same branch as yours).

e) CHEQUE FACILITY

A cheque is a bill of exchange or an instrument drawn on any bank on demand. In other words, cheque is a bill of exchange drawn on a specified banker ordering the banker to pay a certain sum of money to the drawer of cheque or another person. Money is generally withdrawn by clients by cheques. Cheque is always payable on demand. Commonly, following four types of cheques are used in -

- **Bearer Cheque:** This cheque is payable by the drawee bank over the counter to the Bearer or presenter of the cheque. A bearer cheque can be negotiated or passed to another person by mere delivery.

- **Order Cheque:** When the word “bearer” on the cheque is cancelled, it becomes an order cheque. Such a cheque is paid to the person specified therein as payee. The payee can be anyone else too, to whom the cheque is endorsed.
- **Open Cheque:** An open cheque is a cheque that is not crossed on the left corner and payable at the counter of the drawee bank on presentation of the cheque. An open cheque may be bearer or order cheque.
- **Crossed Cheque:** A crossed cheque is a cheque that has been marked to specify an instruction about the way it is to be redeemed. A common instruction is to specify that it must be deposited directly into an account with a bank and not immediately encashed by a bank over the counter. Crossed cheque means drawing two parallel lines on the upper left hand corner of the cheque and writing the words ‘A/c Payee’. The main advantage of this cheque is that if the cheque is lost, nobody can take the payment. In case of any mis-use, it can be easily found in whose account the payment is credited. So it is advisable to cross the cheque always.

f) DEMAND DRAFT

It is a cheque or a document stating to pay the amount written on this document on demand. This document is issued by the bank requesting to pay the specified amount to the person in whose name this demand draft is issued. It is convenient and simple method of remitting payments or money from one place to another.

g) OVERDRAFT

An overdraft allows a person to borrow money for short time through current account. Having overdraft facility from a bank helps an individual or businessmen to meet with short term cash flow problems.

h) CASH CREDIT (LOANS AGAINST CERTAIN SECURITY)

Cash credit is a short-term source of finance. Under cash credit, the bank offers its customer to take a loan up to a certain limit. Cash credit is also known as bank overdraft.

Advantages of Cash Credit:

- i. It is an important source of working capital financing.
- ii. Cash credit can be obtained very easily and quickly.
- iii. Interest is charged only on the amount of loan taken by the customer and not on the amount of credit sanctioned. In other words, interest is charged only on the utilized amount.

Disadvantages of Cash Credit:

- i. The rate of interest charged by loan on cash credit is very high.
- ii. Such loan is granted by bank on the basis of company's turnover, its financial status, value of inventory, etc. So, it is difficult for new and financially weak companies to obtain cash credit.

i) DISCOUNTING (BILLS OF EXCHANGE)

The holder of a bill can get it discounted by the bank, when he/she is in need of money. After deducting its commission, the bank pays the present price of the bill to the holder. The commercial banks can re-discount, the discounted bills with the central banks when they are in need of money. When the bill matures the bank can secure its payment from the party which had accepted the bill.

j) MONEY AT CALL

Bank also grant loans for a very short period, generally not exceeding 7 days to the borrowers, usually dealers or brokers in stock exchange markets against collateral securities like stock or equity shares, debentures, etc., offered by them. Such advances are repayable immediately at short notice, hence, they are described as money at call or call money.

k) TERM LOANS

Banks give term loans to traders, industrialists and now to agriculturists also against some collateral securities. Term loans are so-called because their maturity period varies between 1 to 10 years. Term loans, as such provide intermediate or working capital funds to the borrowers. Sometimes, two or more banks may jointly provide large term loans to the borrower against a common security. Such loans are called participation loans or consortium finance.

l) CONSUMER CREDIT

Banks grant credit to households in a limited amount to buy some durable consumer goods such as television sets, refrigerators, etc., or to meet some personal needs like payment of hospital bills etc. Such consumer credit is made in a lump sum and is repayable in installments in a short time. The scope of consumer credit has been extended to cover expenses on marriage, funeral etc., as well.

m) MISCELLANEOUS ADVANCES

Among other forms of bank advances there are packing credits given to exporters for a short duration, export bills purchased/discounted, import finance i.e. advances against import bills,

finance to the self employed, credit to the public sector, credit to the cooperative sector and above all, credit to the weaker sections of the community at concessional rates.

OTHER COMMON FACILITIES PROVIDED BY BANKS

- **Agency Services:** Banks also perform certain agency functions for and on behalf of their customers like collection and payment of credit instrument. Banks collect and pay various credit instruments like cheque, bills of exchange, promissory notes etc., on behalf of their customers.
- **Purchase and Sale of Securities:** Banks purchase and sell various securities like shares, stocks, bonds, debentures on behalf of their customers.
- **Collection of Dividends on Shares:** Banks collect dividends and interest on shares and debentures of their customers and credit them to their accounts.
- **Acts as Correspondent:** Sometimes banks act as representative and correspondents of their customers. They get passports, traveller tickets and even secure air and sea passages for their customers.
- **Execution of Standing Orders:** Banks execute the standing instructions of their customers for making various periodic payments. They pay subscriptions, rents, insurance premium etc. on behalf of their customers.
- **Acts as Trustee and Executor:** Banks preserve the 'Wills' of their customers and execute them after their death.

GENERAL UTILITY SERVICES PROVIDED BY BANKS

- a) **Locker Facility:** Bank provide locker facility to their customers. The customers can keep their valuables, such as gold and silver ornaments, important documents, shares and debentures etc. in these lockers for safe custody.
- b) **Credit Cards:** A credit card is a payment card issued to user as a system of payment. It allows the cardholder to pay for goods and services based on the promise to pay for them. The issuer of the card creates a revolving accounts and grants a line of credit to a consumer or the user from which the user can borrow money for payment to a merchant or as a cash advance to a user. In short, credit card is a small plastic card

issued by a bank, building society, etc., allowing the holder to purchase goods or services on credit.

- c) **Debit Cards:** A debit card is a plastic payment card that provides the card holder electronic access to his/her bank account at the financial institution. It is a card that deducts money directly from a consumer's checking account to pay for a purchase. Debit cards eliminate the need to carry cash or physical checks to make purchases. These cards help their customers to travel without the fear of theft or loss of money. With this facility, the customers need not take the risk of carrying cash with them during their travels.
- d) **Letter of Credit** A letter of credit is a guarantee letter from a bank thereby guaranteeing that the buyer's payment to the seller will be received on time and for the correct amount. In case of non-payment, the bank will be required to cover the full or remaining amount of the purchase. Due to the nature of international dealings, including factors such as distance, differing laws in each country, and difficulty in knowing each party personally, the use of letters of credit has become a very important aspect of international business. In short, Letters of credit are issued by the banks to their customers certifying their credit worthiness.
- e) **Collection of Statistics**
Banks collect statistics giving important information relating to trade, commerce, industries, money and banking. They also publish valuable journals and bulletins containing articles on economic and financial matters.
- f) **Acting Referee**
Banks may act as referees with respect to the financial standing, business reputation and respectability of customers.
- g) **Underwriting Securities**
Banks underwrite the shares and debentures issued by the Government, public or private companies.
- h) **Gift Cards**
Banks issue gift cards of various denominations to be used on auspicious occasions.
- i) **Merchant Banking**
Some commercial banks have opened merchant banking divisions to provide merchant banking services.

j) Automated Teller Machine (ATM) : It is installed by almost all the banks to facilitate the customers to withdraw money at any time as per their convenience on all the days of the year. For this, an ATM card is issued which has a PIN number. When this card is used on the machine, a password is to be set before the transaction is carried on. It releases the amount punched by the customer after taking into consideration the balance of the customer's account.



k) Electronic Clearing System (E.C.S.) : This system helps to credit the funds faster. Under this system, the account holder can make payment to other parties having their account in the same banks without issuing any proper instrument. This system is restricted or limited to the accounts maintained in one or different branches of the same bank within or outside the city. The computer system allows the transfer of funds to the other party after verifying the details from the account.

6.2 TERMS USED IN BANKING TRANSACTIONS

- **PAY IN SLIP**

It is a slip or the form with a counter foil to be filled for depositing the money by the depositor or any other person for depositing the cash, cheque, draft etc in any account.

- **CASH WITHDRAWAL SLIP**

This is a form or slip used for withdrawing the money from the account where the cheque book or ATM cards are not issued to the account holder. The passbook is to be produced along with the cash withdrawal slip at the time of withdrawing the money for the account in a bank.

- **PASS BOOK**

Pass book is a small handy book issued by bank to the customers to record all the dealings between them. Now-a-days, printed statements of accounts are also being issued by the bank instead of passbook.

- **CHEQUE BOOK**

It is a book containing detachable blank cheques and issued by a bank or building society to holders of cheque accounts

- **DRAWER**

Person who withdraws the money or writes the cheques. He is an account holder.

- **DRAWEE**

The party authorized to payout the money, it is the bank.

- **BANKRUPT**

To go out of business.

- **REAL TIME GROSS SETTLEMENT (RTGS)**

It means an electronic form of funds transfer where the transmission takes place on a real time basis. In India, transfer of funds with RTGS is done for high value transactions, and, at present, the minimum amount being Rs 2 lakh. The beneficiary account receives the funds transferred, on a real time basis.

- **NATIONAL ELECTRONIC FUNDS TRANSFER (NEFT)**

It means a nation-wide payment system facilitating one-to-one funds transfer. Individuals can electronically transfer funds from any bank branch to any individual having an account with any other bank branch in the country.

- **IFSC (Indian Financial System Code)**

It is an alphanumeric code that is used to identify the particular branch of a participating bank in either of the popular electronic funds settlement options in India, namely RTGS and NEFT.

- **INTEREST RATE**

The percentage amount that banks give to savers when they leave their money there or charge customers when they borrow money.

- **OTP (One Time Password)**

It is a password that is valid for only one login session or transaction, on a computer system or other digital device. For eg. Mobile phones, e mail etc.

- **PIN**

Personal Identification Number. Generally a four-character number or word, the PIN is the secret code given to credit or debit cardholders enabling them to access their accounts. The code is either randomly assigned by the bank or selected by the customer. It is intended to prevent unauthorized use of the card while accessing a financial service terminal.

- **MORTGAGE**

It is an agreement between a customer and a bank in which it lends you money to buy a house; you have to pay back the money with interest over a longer period of time.

- **RBI**

The Reserve Bank of India (RBI) is India's central banking institution, which controls the monetary policy of the Indian rupee.

- **NRE ACCOUNT (Non-Resident External Account)**

An NRE account can be opened by any person who is residing outside India. NRIs (Non-Resident Indians) having NRE account in India are permitted to hold and maintain foreign currency earnings in Indian rupees. Moreover the interest earned is not taxable in India.

- **NRO ACCOUNT (Non-Resident Ordinary Rupee Account)**

An NRO account is a savings or current account held in India that helps NRIs manage income earned in India such as rent, dividends, or pension from abroad. The account holder can deposit and manage accumulated rupee funds conveniently through an NRO account.

- **FCNR Account (Foreign Currency Non Resident Account)**

FCNR Deposit is a Fixed Deposit Foreign Currency account and not a savings account. Deposits in this account can be made in any of the major currencies like US Dollar, UK Pound, Canadian Dollar, Deutsche Mark, Japanese Yen and Euro.

- **CASH RESERVE RATIO (CRR)**

It is the amount of funds that the banks have to keep with RBI. If RBI decides to increase the percent of this, the available amount with the banks comes down. RBI is using this method (increase of CRR rate), to drain out the excessive money from the banks.

- **BANK RATE**

It means the discount rate, is the rate of interest which a central bank charges on the loans and advances that it extends to commercial banks and other financial intermediaries. Changes in the bank rate are often used by central banks to control the money supply.

- **FDI (Foreign Direct Investment)**

It is an investment which occurs with the purchase of the “physical assets or a significant amount of ownership (stock) of a company in another country in order to gain a measure of management control” (Or) A foreign company having a stake in an Indian Company.

- **ACCRUED INTEREST**

It means the interest that has been earned but not yet paid.

- **AUTOMATED CLEARING HOUSE (ACH)**

It has a computerized facility used by member depository institutions to electronically combine, sort, and distribute inter-bank credits and debits. ACHs process electronic transfers of government securities and provided customer services, such as direct deposit of customers' salaries and government benefit payments (i.e., social security, welfare, and veterans' entitlements), and preauthorized transfers.

- **DISHONOUR OF CHEQUE**

Non-payment of a cheque by the paying banker with a return memo giving reasons for the non-payment. It is a condition in which the bank does not pay the amount of the cheque to the payee. In fact, when the drawer draws the cheque without following all the rules of issuing cheque. Where an account does not have sufficient balance to honour the cheque issued by the customer, the cheque is returned by the bank with the reason "funds insufficient" or "Exceeds arrangement".

- **BANK OMBUDSMAN**

Bank Ombudsman is the authority to look into complaints against Banks in the main areas of collection of cheque/bills, issue of demand drafts, non-adherence to prescribed hours of working, failure to honour guarantee/letter of credit commitments, operations in deposit accounts and also in the areas of loans and advances where banks flout directions/instructions of RBI. This Scheme was announced in 1995 and is functioning with new guidelines from 2007. This scheme covers all scheduled banks, the RRBs and co-operative banks.

- **CO-OPERATIVE BANK**

An association of persons who collectively own and operate a bank for the benefit of consumers /customers, like Saraswat Co-operative Bank or Indraprastha Sehkari Co-operative Bank etc.

- **CORE BANKING**

It is a banking service provided by a group of networked bank branches where customers may access their bank account and perform basic transactions from any of the member branch offices.

- **E-BANKING**

E-Banking or electronic banking is a form of banking where funds are transferred through exchange of electronic signals between banks and financial institution and customers ATMs, Credit Cards, Debit Cards, International Cards, Internet Banking and new fund transfer devices like SWIFT, RTGS belong to this category.

- **EFT - (Electronic Fund Transfer)**

It is a device to facilitate automatic transmission and processing of messages as well as funds from one bank branch to another bank branch and even from one branch of a bank to a branch of another bank. EFT allows transfer of funds electronically with debit and credit to relative accounts.

- **EITHER OR SURVIVOR**

It means operation of the account opened in two names with a bank. It means that any one of the account holders have powers to withdraw money from the account, issue cheques, give stop payment instructions etc. In the event of death of one of the account holder, the surviving account holder gets all the powers of operation.

- **ELECTRONIC COMMERCE (E-Commerce)**

E-Commerce is the paperless commerce where the exchange of business takes place by Electronic means.

- **FOREIGN BANKS**

Banks incorporated outside India but operating in India and regulated by the Reserve Bank of India (RBI),. e..g. Barclays Bank, HSBC, Citibank, Standard Chartered Bank, etc.

- **KYC NORMS**

Know your customer norms are imposed by R.B.I. on banks and other financial institutions to ensure that they know their customers and to ensure that customers deal only in legitimate banking operations and not in money laundering or frauds.

- **MORATORIUM**

R.B.I. imposes moratorium on operations of a bank; if the affairs of the bank are not conducted as per banking norms. After moratorium R.B.I. and Government explore the options of safeguarding the interests of depositors by way of change in management, amalgamation or take over or by other means.

- **POST DATED CHEQUE**

A Cheque which bears the date which is subsequent to the date when it is drawn. For example, a cheque drawn on 8th of February, 2007 bears the date of 12th February, 2007.

Plastic Money: Credit Cards, Debit Cards, ATM Cards and International Cards are considered plastic money as like money they can enable us to get goods and services.

- **RESTRICTIVE ENDORSEMENT**

Where endorser desires that instrument is to be paid to particular person only, he restricts further negotiation or transfer by such words as "Pay to Vijay only". Now Vijay cannot negotiate the instrument further.

- **TELLER**

Teller is a staff member of a bank who accepts deposits, cashes cheques and performs other banking services for the public.

- **VIRTUAL BANKING**

Virtual banking is also called internet banking, through which financial and banking services are accessed via internet's World Wide Web. It is called virtual banking because an internet bank has no boundaries of brick and mortar and it exists only on the internet.

CHECK YOUR PROGRESS

1. Discuss different types of accounts in which one can deposit money.
2. Differentiate between NEFT and RTGS.
3. Explain the following banking terms:
 - (a) Virtual Banking
 - (b) Interest Rate
 - (c) Electronic Fund Transfer
 - (d) Bank Ombudsman

(e) NRO Account

4. Expand the following abbreviations:

(a) PIN

(b) OTP

(c) IFSC

(d) FDI

(e) ACH

(f) KYC
