

## **Archiving, Keeping Records and Financial Accounting Documents**

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### **Abstract**

The current study deals with the issues of archiving, storing the documents and the account books, analyzing the filling in and storage methods. The study highlights at the same time the conditions that must be fulfilled for their drawing up, for the archiving of the documents and of the account books.

The method used is of meta-analytical type.

The conclusion points to the fact that each economic unit must observe the legislative regulations in terms of the methods of filling in, storage and archiving of the accounting documents, including those on electronic support.

**Keywords:** accounting documents, keeping accounting documents, archiving accounting documents

**JEL:** M4, M41, M42, M48

### **1. Introduction**

Accounting documents are written papers that record the transactions, the events and other economic operations, the moment they are carried out and ordinarily the place where they are carried out in order to serve as proof for their drawing up and as support for registration in bookkeeping. The staff appointed for the drawing up, verification, endorsement, the booking of the documents (including those that deal with bookkeeping) must ensure the filling in of the documents with all the necessary data. The Bookkeeping law no. 82/1991 republished defines the supporting document as follows: “any economic financial operation made, shall be recorded the moment it was made in a document, that shall stand for the basis for the registrations in bookkeeping, acquiring this way the quality of supporting document” (Anthony, 1965; Kaplan, 1984; Johnson, 1991; Boisselier, 1999; Bouquin, 2008; Iacob, 2008a).

The documents are written acts where the economic and financial operations are registered numerical and in letters, in natural benchmark, pecuniarily or of working, at the place and moment they have been made, as well as the events determined by organizational and administrative necessities to serve as proof for carrying out these operations and for basis of their recording in bookkeeping. According to their content and destination, the documents play a role on many plans. Thus the documents fulfill the following functions:

- 1) the numeric and in letters recording, quantitative and value of the economic operations carried out within the public body;
- 2) the function of supporting documents that stand for the basis of the recording in the current bookkeeping of the economic operations made in them;
- 3) the exercise of the economic and financial check for the defense of the integrity of the patrimony.

The documents can help to monitor the economic and financial activity of the public body in the smallest details (Bădoi, 2013; Ristea & Dumitru, 2006; Luca & Petcu, 2009). They serve for the verification of the activities developed contributing in this way to the consolidation of the economic financial autonomy of the public body. Their character as supporting documents grant the documents a legal function as they help to establish the pecuniary rights and obligations of the companies in case of some litigations, audits, shortages, frauds. They can also be used as means of evidence in court, in order to discover the truth and act as basis for the investigation of the judicial bodies (Gruescu, Nanu & Tanasie, 2009; Mirea & Bogdănoiu, 2013). The documents underlie the organization of the three forms of the economic record: operational record, statistics record and bookkeeping record. In order to record some operations, the three forms of the economic record use in some cases the same documents. The fulfillment of these functions is conditioned by the quality of the documents, by the efficiency of their drawing up and circulation till the place of their registration and capitalization (Burns & Scapens, 2000; Capota, Dinescu, Ionescu, Lixandru & Popa, 2006; Iacob, 2008b). As a consequence of the variety of documents and the diversity of the economic operations, recorded in them, the necessity of their classification appears. The classification of the documents is a fact that must be taken into consideration objectively. Knowing this classification allows us to use the right document for the patrimonial operation (Malmi & Granlund, 2009; Vlăduțescu, 2013d).

## **2. Keeping and archiving the accounting documents**

According to the bookkeeping law the persons who are obliged to bookkeeping, stipulated at art. 1 of law (law 82/1991- with the subsequent amendments and completions), are obliged to keep and archive the accounting documents and the supporting documents that are the basis for the recording in bookkeeping. The keeping of these documents shall be done at the fiscal residence or at the secondary head offices, by case. These documents can also be kept at other legal persons based on contracts for the provision of services concluded with them (Otley, 1999; Vlăduțescu, 2004; Dima, I. C., & Vlăduțescu, 2012a). The responsibility for keeping and archiving the accounting documents belongs to the administrators, the main credit release authorities or other persons empowered to manage the respective entity (Mangra, Stanciu & Mangra, 2010; Popovici, 2012). In

this case the beneficiary of the documents who is registered with the territorial fiscal authority shall be notified. In case of a fiscal control, the company is entitled to present all the archived documents, irrespective of the place where they are kept. The fiscal authorities can also ban keeping the documents in certain places if they get to the conclusion that the documents are improperly kept (Vlăduțescu, 2009a; Vlăduțescu, 2013g).

Archiving the supporting and accounting documents can be done in line with the provisions of OMFP (The Ministry of Public Finance Order) 3512/2008 with the subsequent amendments and completions. Thus the entities must observe certain general rules:

- the archiving shall be done by grouping the documents in numbered files, laced, sealed in chronological and systematic order.
- for the companies where a merger or liquidation took place, the related documents of these operations shall be archived separately;
- the spaces for the keeping shall be specially arranged and shall be insured against degradation, destruction or taking and also against fire;
- the archived documents shall be recorded based on the ledger, where the documents/ files entered in the archive are recorded as well as their movement in time.

The company shall draw up the Archives list, approved by the National Archives according to the provisions of OMFP 3512/2008 with the subsequent provisions and completions corroborated with the law of National Archives no. 126/1996 with the subsequent amendments and completions. The company shall mention in the Thearchives list shall be used for the company to record exactly for each document the keeping terms, including for the stubs of the documents. This list shall be draw by the persons who are responsible for the supporting and accounting documents and will be approved and signed by the administrator or main credit release authority and after these operations ended, it will be presented to the representatives of the territorial National Archives. For the extraction from the archives of the documents whose keeping date expired, a commission shall be established under the management of the administrator or of the main credit release authority that shall prepare a report and shall record all the documents that are eliminated from the Ledger of the archive. A representative of the Territorial National Archives must be part of the commission.

The company will have to conclude a contract for provision of services with a specialized company for the destruction of the documents. The account books represent the documents that help to register chronologically and systematically the economic and financial operations in bookkeeping, providing information in terms of the situation and the movement of patrimony (Vlăduțescu, 2013c; Vlăduțescu, 2013d).

All the account books and the supporting documents shall be kept for 10 years except for the payroll that must be kept for a period of 50 years:

Law 82/1991 republished (of bookkeeping), art. 25:

Art 25: The mandatory account books and the supporting documents shall stand for the base of the recordings in the financial accounting are kept in the archive of the persons stipulated at art. 1 for a period of 10 years, starting from the end of the financial year, period during which they have been prepared, except for the payrolls, that are kept for a period of 50 years.

(2) The account books and the supporting documents can be kept for a period of five years through exception from the provisions of the para. (1) in a justified way, through an order of the minister of economy and finance.

Although the Order of the Minister of Economy and Finance no. 3512 of November 27, 2008 in terms of the financial accounting documents, in force from January 1, 2009 stipulates the conditions in which the financial accounting documents can be prepared, edited and archived electronically, but beside that there will still be mandatory for them to be laced, sealed and initialed. Thus, those who want to store electronically these ledgers have this possibility if they observe the provisions of the OMF (The Ministry of Finance Order) 3512/2008 listed below:

“64. From the point of view of the database, there must exist the possibility to reconstruct at any moment the content of the financial accounting documents.

65. The financial accounting documents, that are archived on a WORM support (Write Once Read Many), must be signed by the person who draws them up, in line with the provisions of Law number 455/2001 in terms of the electronic signature.

66. A security plan of the informational system must exist, including the technical and organizational measures that should ensure the following minimum requirements:

- a) the confidentiality and integrity of the communications;
- b) the confidentiality and nonrepudiation of the data;
- c) the confidentiality and integrity of the data;
- d) the restriction, detection and monitoring of the access in the system;
- e) the restoration of the information managed by the system in case of natural calamities, unpredictable events, through:
  - the archiving of the data using the WORM technology, that should allow a single inscription and the access of the stored information any time needed;
  - the recording of the data from the financial accounting documents in real time, in another calculation system, with the same characteristics, that should be located elsewhere.

67. The listing of all the financial accounting documents requested by the control authorities must be ensured”.

The account books shall be listed/ printed on paper, as they must be laced, sealed and initialed (Dragomir & Tanasie, 2010; Cotoc, Traistaru & Stoica, 2013). The elimination from the archive of the documents whose legal storage term expired shall be done by a commission, under the management of the administrator and of the main credit release authority, by case. Under these circumstances, a report shall be drawn up and the documents eliminated from the Ledger of the archive shall be mentioned in that minute (Zaman, 1999; Savall & Zardet, 2004; Sirbu, Doinea & Mangra, 2009). Thus, after the expiry of the legal storage term, the documents can be eliminated from the archive, based on a report approved by the manager of the company. In case the activity of the staff stipulated at art. 1 of Law no. 82/1991, republished, the accounting documents are archived in accordance with the provisions of Law no. 31/1990 in terms of the trading companies, republished with the subsequent amendments and completions, or they shall be delivered to the archives of the state in line with the legal provisions, by case (<http://www.avocatnet.ro>;

[http://www.efin.ro/legea\\_contabilitatii\\_nr\\_82\\_din\\_24121991\\_actualizata\\_2010\\_2042/cap\\_iii\\_regist\\_rele\\_de\\_contabilitate.html](http://www.efin.ro/legea_contabilitatii_nr_82_din_24121991_actualizata_2010_2042/cap_iii_regist_rele_de_contabilitate.html); <http://codfiscal.net/13557/modelele-documentelor-financiar-contabile-anexa-nr-3-din-omef-30552008>). The account books are used in compliance with their destination and are marshaled and thus filled in in order to allow any moment the identification and control of accounting operations made. The account books can take the form of a book, sheets or information listings, by case (Băndoi & Tomiță, 2009; Hansen, Mowen & Guan, 2009; Vlăduțescu, 2009b; Vlăduțescu, 2013a; Bogdănoiu, 2011; Smarandache & Vlăduțescu, 2013). The numbering of the pages from the account book shall be done in ascending order, and the volumes shall be numbered in the order of their filling in.

1. The day book - is a mandatory accounting document where all the economic financial operations are registered in chronological order. The operations of the same type, carried out in the same place of activity (workshop, section, etc.), can be resumed in a master summary sheet, named as auxiliary journal that shall stand for the basis of the recording in the Day Book (Tomiță & Ciurlău, 2001; Dincă & Dincă, 2013). The companies can use auxiliary journals for: cash desk and bank operations, reimbursements with the suppliers, the situation concerning the collection-payment of invoices, etc.). Any recording in the Day Book must include elements in terms of: the type, the number and date of the supporting document, explanations in terms of the respective operations and the debit and credit accounts where the sums corresponding to the operations carried have been recorded (Berceanu, 2006; Berceanu, 2008). The companies that are using the auxiliary journals can record in the day book the sums centralized for costs, taken over from these journals (Dima & Vlăduțescu, 2012b). The preparation of the day book is carried out at the request of the control authorities or according to the own necessities. The physical persons who carry out independent activities and run the accounting in single ledger, in accordance with the legal provisions, draw up the day book of returns and payments as well as other documents of evidence provided by the legislation from this sector (Tanasie, Tanasie & Fratostiteanu, 2008; Vlăduțescu, 2013b).

2. The inventory book – is a mandatory accounting document where all the assets and liabilities are recorded grouped according to their nature, inventorized by the company according to law. The inventory book is prepared when the company is first established, at least once a year during the operation of the company, on occasion of the merger, division or cessation of the activity, as well as in other situations stipulated by law, based on a factual inventory. In this book shall be recorded in a recapitulative form, the elements inventorized by their nature, detailed enough in order to justify the content of each entry of the balance sheet. The inventory book shall be filled in based on the factual inventory of each asset and liability account (Iacob, 2008c; Iacob, Giurca, Vasilescu & Dracea, 2008; Vlăduțescu, 2013c). The asset and liability elements recorded in the inventory book rely on the inventory lists or other documents that justify their content at the end of the financial year.

In case the inventory takes place during the year, the existing balance shall be recorded in the inventory book at the date of the inventory, to which are added the flows of entries and deduct the flows of outputs since they have been inventorized and till the end of the financial year (Pârvu, 2001; Pârvu, 2002; Tomita, Danciulescu & Bandoi, 2008). The balance sheet from December 31

shall be drawn up based on the inventory book and the trial balance that will be considered as part of the annual financial situation, whose entries must correspond in accordance with the provisions of Law no. 82/1991, republished and of the applicable accounting regulations, with the data recorded in bookkeeping, agreed with the real situation of the elements of assets and liabilities established based on the inventory (Iacob, Ionescu & Goagă, 2007; Traistaru, 2013a; Traistaru, 2013b; Traistaru, 2013c).

3. The ledger is a mandatory account book where are recorded monthly and systematically, through the rearrangement of the accounts, the movement and the existence of all the asset and liability elements, at a certain period of time. This is an accounting document of synthesis and systematization and includes the symbol of the debit account and of the corresponding credit accounts, the debit footing and the credit cash flow as well as the account balance. The ledger can include a sheet for each synthetic account used by the institution. The ledger relies on drawing up the trial balance. The ledger can be replaced by the Account record for different operations. The preparation of the ledger shall be done at the request of the control bodies or according to the own needs (Vlăduțescu, 2013e; Vlăduțescu, 2013f). The day book, the inventory book and the ledger must be kept in the company for a period of 10 years since the end on the financial year during which they have been prepared, and in case of loss, suspension or destruction, they must be restructured in maximum 30 days since the acknowledgement. The physical persons who use the computer technology must ensure their listing at any moment during the 10 years since their storage (Ward, 2012; Vlăduțescu & Ciupercă, 2013).

In case of loss, taking or destruction of the financial accounting documents measures will be taken for their reconstruction, according to the regulations issued in this respect, in maximum 30 days since the acknowledgement and in case of force majeure, as the provisions of the Bookkeeping Law have been amended by the Government Emergency Ordinance no. 37/2011 within 90 days since the acknowledgement of its cessation.

### **3. Conclusion**

The data recorded in the accounting documents must be mandatorily stored and archived in numbered files, laced and initialed in chronological and systematic order. Thus, legislation is observed and the additional premises for the carrying out in good conditions of the activities of bookkeeping record are thus created.

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