

# **Archiving of Financial Data in Accounts Receivable**

The Case Company UPM-Kymmene Oyj

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**ABSTRACT**

The commissioner company, UPM-Kymmene Oyj, is a Finnish paper, pulp and timber manufacturer and one of the industry leaders worldwide. This thesis has been carried out for UPM-Kymmene's Financial Services Centre in Tampere, in particular for accounts receivable.

As financial records are of high evidentiary value to auditors and customers for transactions and customer accounts, it is mandatory that archiving procedures for this data complies with legislation. Therefore harmonized material needs to be available to employees to ensure that the process is carried out correctly.

Main goal of this paper was to develop a foundation for legally complying guidelines on archiving of financial data in the accounts receivable function. The research for this final thesis was conducted in close cooperation with UPM-Kymmene Oyj and consisted of investigation of legal requirements on electronic or paper archiving per document type, as well as clarification on their retention schedule. The process scope has been limited to central European countries, in which UPM-Kymmene Oyj's daughter companies are listed. Already existing guidelines for the accounts receivable team have been updated in the process of the thesis development and follow-up material has been created by the author of the thesis in order to ensure correct labelling and archiving per company and country of listing.

Future changes in statutory requirements for reporting and document management processes will require continuous research and therefore the paper can never be considered absolutely complete. At the time of the research legislative requirements were provided by UPM's Closing and Reporting function and were considered sufficient for the project of this final thesis. It is recommended to invest in maintenance of the guidebook constantly to guarantee best performance possible.

This thesis includes confidential information that has been removed from the published version on the commissioner's request. If chapters were removed due to confidentiality, it has been marked in the text.

**Key words:** Accounting      Archiving      Finance      IFRS

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# 1 Introduction

## 1.1 Background of the final thesis

In the daily transactions companies produce a massive amount of data and documents and it is not rare that their future importance is overlooked. Only when things go wrong, the significance of up to date documentation is recognized so strongly. Being able to go back in history and supporting oral testimony with paper / electronic documentation is the most reliable source of evidence for complying with international and local legislation.

Documents can be used to trace records and transactions and justify decision-making, in finance this is of more importance than in any other sector of business operations. According to Craig S. Wright, *"...it is a legal requirement for an organisation as a "positive legislative obligation" and as a component of good and effective corporate governance to ensure that documents are reserved correctly and destroyed when required. Effectual document retention structure aid in compliance and reduce the risks of:*

- *Statutory fines and penalties (some being criminal in nature);*
  - *Legal action and a risk of forced settlement resulting because of the cost of compliance with [...] requests for old emails or other documents;*
  - *Lost cases resulting from absent email and other business*
- And*
- *Business losses from an insufficient archiving and recovery process."*

(Craig S. Wright, Requirements for record keeping and document destruction in a digital world, 2008)

That is why companies need to put attention to the correct document management and maintenance of records. The archival of financial data plays an important role in the daily task routines of an accountant and working instructions and legal requirements need to be constantly updated and followed up. Hereby it is especially important to make these instructions and legal requirements clear to personnel and supervise the correct handling of the process.

During the author's internship at UPM-Kymmene Financial Services in Tampere in autumn 2009 she was introduced to the techniques and the requirements for regular physical and electronic archiving of financial data.

Updating the existing follow up files was a major task and thus the author gained insight into the difficulties of a globally operating company that needs to follow and correctly execute the requirements for archived data for each specific country of business activity. Laws and regulations for these countries are constantly being renewed and improved and therefore it is essential maintain up to date guidelines and immediately adjust to changes to enable correct archiving in line with governmental requirements.

Especially the variety in country specific legislation and requirements for retention times are hindering a harmonic archiving system and need to be checked thoroughly to establish a corresponding guideline.

## ***1.2 Goal of the final thesis***

The goal and final outcome of the final thesis is to establish up to date guidelines on archiving rules and regulations and how to implement them correctly for accounts receivable handling in the Central European area. Thus, the thesis will be a basis for a guidebook, tailored to be a relevant resource for employees in AR CE team.

As archiving is essential in a company of UPM-Kymmene's dimensions, there are already guidelines and manuals available that concern the process of archiving. The guidelines valid for the Central Europe team are to be updated as a major part of the final thesis project.

In detail this means identifying which reports and documents are required to be archived, whether the archiving needs to be done in electronic or paper format and for how long the data is being stored. Most of this information will be provided by UPM's local finance teams and Closing and Reporting function.

## 2 Research Methods

### 2.1 Quantitative and qualitative research

Main approaches in research methods are either quantitative or qualitative research. Traditionally a well carried-out research should be a combination of the two, as, according to T. Proctor "[...] the patterns displayed in quantitative research can be enriched with the addition of qualitative information." (T. Proctor, 2003, Essentials of Marketing Research)

The traditional purpose of quantitative research methods is to develop mathematical and empirical models to explain phenomena X. Measurement is the central point of quantitative research, underlining the need to investigate criteria that are countable in numbers for a large sample size. Quantitative research therefore answers question on how often and how many, involving countable features to construct statistical hypotheses and theories. This research method is mainly used in physical and biological sciences as well as in social and psychological sciences to develop empirical studies. By nature it is often used to explain already existing phenomena by investigating and verifying which hypothesis is true and whether correlations between phenomena exist.

Possible research questions for quantitative research are:

- How much of something occurs in the phenomenon X?
- How often does phenomenon X occur?
- Is the occurrence of Y in X statistically significant?

The main aim of qualitative research is to answer the question on why and how of decision making. Because of a usually very small but focused sample size, qualitative data is widely considered as subjective, as results are interpreted and influenced to a large extent by opinions of the researcher. Qualitative research is mainly used to investigate policies and evaluate their performance, as it can answer the questions on how and why certain outcomes were achieved and not only what was achieved.

Possible research question for qualitative research are:

- What is the phenomenon like?
- What kind of qualities does the phenomenon have?

*Table 1 Qualitative versus quantitative research*

Qualitative research	Quantitative research
Inductive	Deductive
Subjective	Objective
Impressionistic	Conclusive
Holistic, interdependent system	Independent and dependent variables
Purposeful, key informants	Random, probabilistic sample
Not focused on generalization	Focused on generalization
Aims at understanding, new perspectives	Aims at truth, scientific acceptance
Case studies, content and pattern analysis	Statistical analysis
Focus on words	Focus on numbers
Probing	Counting

**Source:** Based on Patton (1990) and Chisnall (2001)

Qualitative approaches have the advantage of allowing for more diversity in responses as well as the capacity to adapt to new developments or issues during the research process itself. While qualitative research can be expensive and time-consuming to conduct, many fields of research employ qualitative techniques that have been specifically developed to provide more succinct, cost-efficient and timely results.

For the purpose of this thesis I have chosen the qualitative research approach, as the criteria for fulfilling legal requirements in archiving of financial data cannot be measured or counted mathematically and cannot be represented statistically. The research needs to enable an in-depth understanding of legal texts and auditors' requirements and should explain the why's and how's on doing archiving of financial data and statements for accounts receivable purposes in the case company UPM-Kymmene Oyj.

## **2.2 Data collection**

Data collection or data gathering describes the methods and sources used in accumulating information to analyze and investigate in the research process. Qualitative research allows several methods on gathering necessary information, such as focus groups, direct observation and interviews.

Primary data is data that is data that has been created by the researcher him/herself. This data is based on first hand observation by the researcher as is thus very time consuming and in most cases expensive, if tests, experiments and surveys are necessary.



Secondary data can be defined as already existing data that has been created by someone else than the user. Sources for such data are publications such as books, reviews, organizational publications; and surveys that have not been conducted and created by the user him/herself. Usually, secondary data is a necessity in the early stages of a research project, to determine which information is already known and could support the research project.

The nature of the project – creating an overview on archiving regulations for financial statements and data – requires a focus on secondary data, as legal texts need to be studied and taken into consideration during this project. Main sources for updating archiving requirements in AR Central Europe have therefore been UPM's internal publications of presentations, guidelines, job aid instructions on the topic as well as the UPM help portal in SAP FICO system. Additionally I have reviewed other secondary data on general theory topics about archiving and financial reporting regulations / laws in form of books, theses and online publications. This thesis also includes primary data and material based on observations during the archiving process that has been created by me and is since then in use by the Central European AR team at UPM-Kymmene Oyj.

## 3 Introduction to the case company and to Accounts Receivable handling

### 3.1 The case company UPM-Kymmene Oyj

UPM – Kymmene Oyj is a Finnish paper, pulp and timber manufacturer and represents one of the largest forest industry corporations worldwide. The company was formed in 1996 through the merger of the Kymmene Corporation and Repola Ltd.'s daughter company United Paper Mills Ltd. Company headquarters are located in Helsinki. Since 2004 the president and chief executive officer of UPM is Jussi Pesonen.

#### Key Financial Figures 2007 – 2009

Table 2: Key financial figures 2007 - 2009, UPM-Kymmene Oyj, Annual report 2009

	2009	2008	2007
Sales, €m	7.719	9.461	10.035
Operating profit, €m	135	24	483
excl. special items, €m	270	513	835
Profit loss before tax, €m	187	-201	292
Earnings per share, €	0.33	-0.35	0.16
excl. special items, €	0.11	0.42	1.00
Cash flow from operating activities per share, €	2.42	1.2	1.66
Return on equity, %	2.8	negative	1.2
Capital expenditure, €m	913	551	708

#### 3.1.1 History of UPM-Kymmene Oyj

The long history of UPM - Kymmene Corporation in the Finnish forest industry dates back to as early as the 1870's, when the group's first paper and saw mills started their operations. Operation processes expanded to pulp production in the 1880's, paper converting in 1920's, followed by plywood production.

In 1996 the Kymmene Corporation merged with Repola Ltd and its subsidiary United Paper Mills Ltd., forming the new UPM - Kymmene Corporation, starting operations on 1<sup>st</sup> May 1996.

The oldest of all UPM's paper mills is located in the north-eastern part of France. Papeteries de

Docelles has already been producing quality handmade paper since the end of the 15<sup>th</sup> century. Mechanical paper production has been started in Docelle in the 1830s. Among others, the following companies have been merged into the group: Kymi, United Paper Mills, Kaukas, Kajaani, Schauman, Rosenlew, Raf. Haarla and Rauma-Repola's forest industry operations (UPM, 2010).

Currently the group incorporates about 100 production facilities that used to be independent companies.

### 3.1.2 Business Groups

UPM – Kymmene Oyj is divided into three business groups, which are Energy and Pulp; Paper; and Engineered Materials, such as label-adhesives, RFID technology and Plywood production.

The chart below shows the three business groups with their product range as well as headcount.

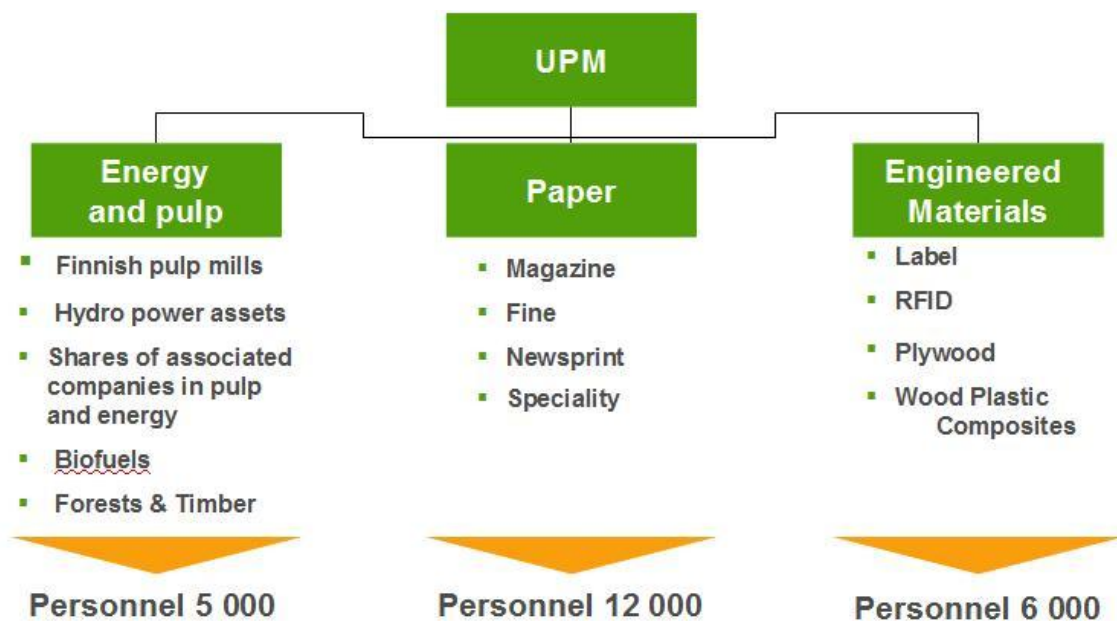


Figure 1 UPM-Kymmene Oyj Group Chart, UPM-Kymmene Oyj, 2010

## 1. Energy and pulp

UPM Energy and Pulp includes pulp mills in Finland, hydroelectric assets, shares of associated pulp and energy companies as well as forest & timber for biomass production.

The energy business area deals with generation and acquisition of energy for production facilities. In Finland, UPM - Kymmene owns own power generators and is a co-owner of Kemijoki Oy and Pohjolan Voima. The generated electricity capacity exceeds own need and will further increase with the start-up of a new nuclear power plant.

The operating profit (excluding special items) in 2009 for the energy division was 162 million € (UPM-Kymmene Oyj, 2010).

## 2. Paper

UPM is the world's leading producer of graphic papers, the product offer ranges from magazine and newsprint to fine and specialty papers. Focus point in all of UPM's production is to decrease environmental impact.

Below chart shows the significance of the paper division in yearly sales. By far this division creates the highest sales for the company.

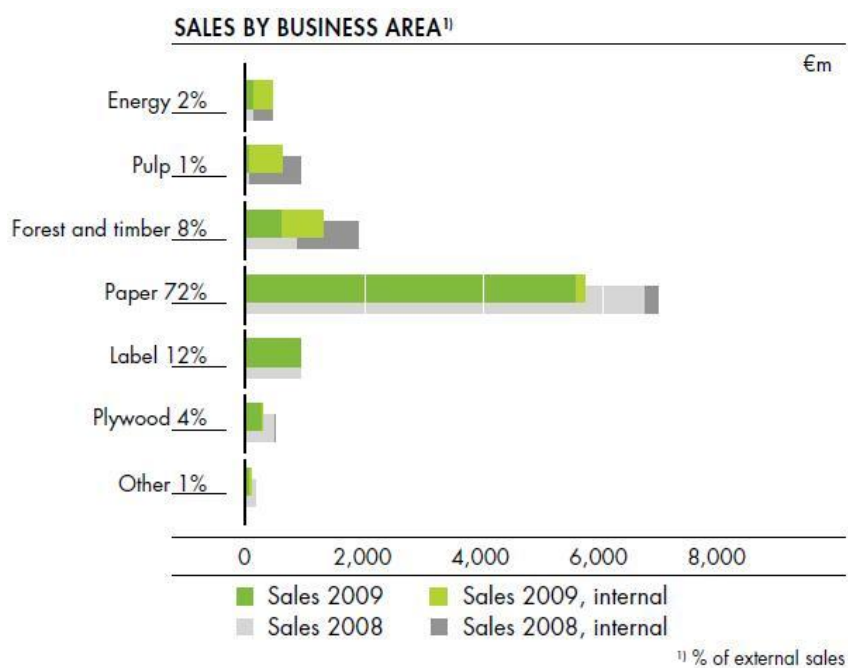


Figure 2 Sales by Business Area, UPM-Kymmene Oyj, 2010

### 3. Engineered materials

The Engineered materials division at UPM incorporates new business areas such as label stock and RFID, plywood and wood plastic composite. UPM is the second largest provider of self-adhesive materials and the largest supplier of plywood worldwide.

Below chart gives an overview of the operating profit by business area in 2009, with Paper, Energy and Label being the most profitable divisions.

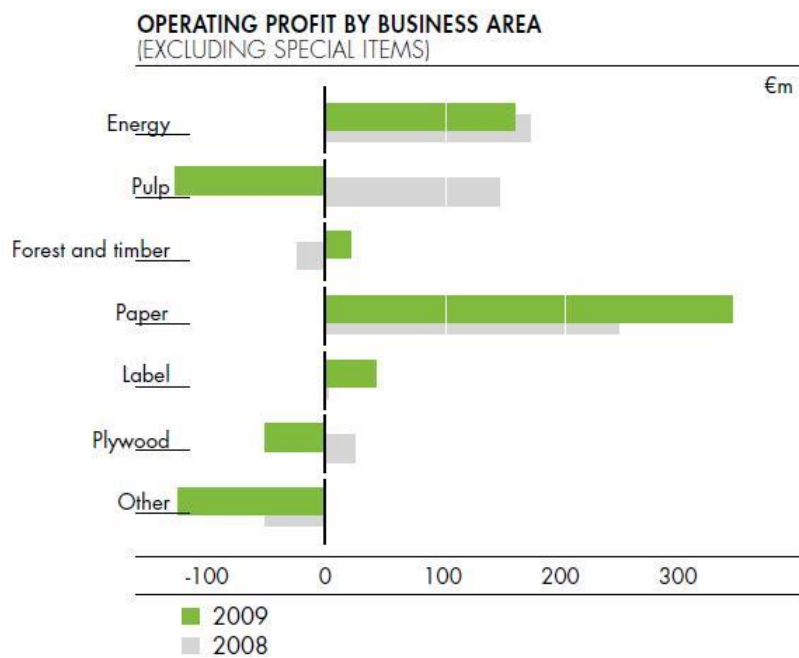


Figure 3 Operating Profit by Business area, UPM-Kymmene Oyj, 2010

### 3.2 Financial Services

UPM-Kymmene Oyj's financial services department (FS) is organized to form two major service centres, located in Tampere, Finland and Shanghai, China.

Finance and Control				
Financial Services				
Investor Relations	Global Transaction Services	Closing and Reporting	Group Accounting and Reporting	Business Control
	Team's deliverables: <ul style="list-style-type: none"> <li>• Purchase Invoice Handling</li> <li>• Accounts Payable</li> <li>• Cash Management</li> <li>• Travel Expense Claim Handling</li> <li>• Accounts Receivable</li> </ul>	Team's deliverables: <ul style="list-style-type: none"> <li>• Financial Accounting</li> <li>• Management Accounting</li> <li>• Taxation</li> </ul>	Team's deliverables: <ul style="list-style-type: none"> <li>• Group Reporting</li> <li>• Group Consolidation and Financial Statements</li> <li>• Internal Controls</li> <li>• Parent Company Accounting</li> </ul>	Teams deliverables: <ul style="list-style-type: none"> <li>• Business support for strategy implementation on target setting &amp; follow-up</li> <li>• Performance analyses</li> <li>• Profitability management</li> <li>• Forecasting &amp; budgeting</li> <li>• Internal Controls</li> <li>• Credit Risk Management</li> </ul>
Global Finance Processes and Reporting				
Group Treasury and Risk Management				
Corporate Structure and Real Estate				

Figure 4 Finance and Control breakdown chart, source: UPM-Kymmene Oyj, 2010, internal presentation

The Global Transaction Services (GTS) include services such as Accounts Receivable (AR), Accounts Payable (AP) and Cash management (CM) as well as travel expense claims (TEX) and purchase invoice handling (PI).

The Closing and Reporting (CAR) teams provide financial and management accounting services, as for example general ledger and period closing, asset accounting as well as cost accounting and reporting services. These teams are currently centralized into seven locations globally, Tampere being the biggest of them. However, the organization is in an ongoing transition to centralize most of CAR services to Tampere.

### 3.3 Accounts Receivable

Accounts receivable items are current assets occurred by selling a product or service to an entity outside the organization and count on the profit and loss accounts as income. (Bridgefield Group, 2010, ERP glossary)

In theory, Accounts Receivable bookkeeping includes invoicing the customer for product or service, collection of the payment and correct bookkeeping in the enterprise resource planning software, as well as reporting. In UPM – Kymmene Oyj these responsibilities are split between the units themselves, the actual accounts receivable department and credit risk management function.

Additionally, accounts receivable personnel is in charge of interface reconciliations between SAP R/3 and the unit's legacy system, period closing tasks and archiving of financial data.

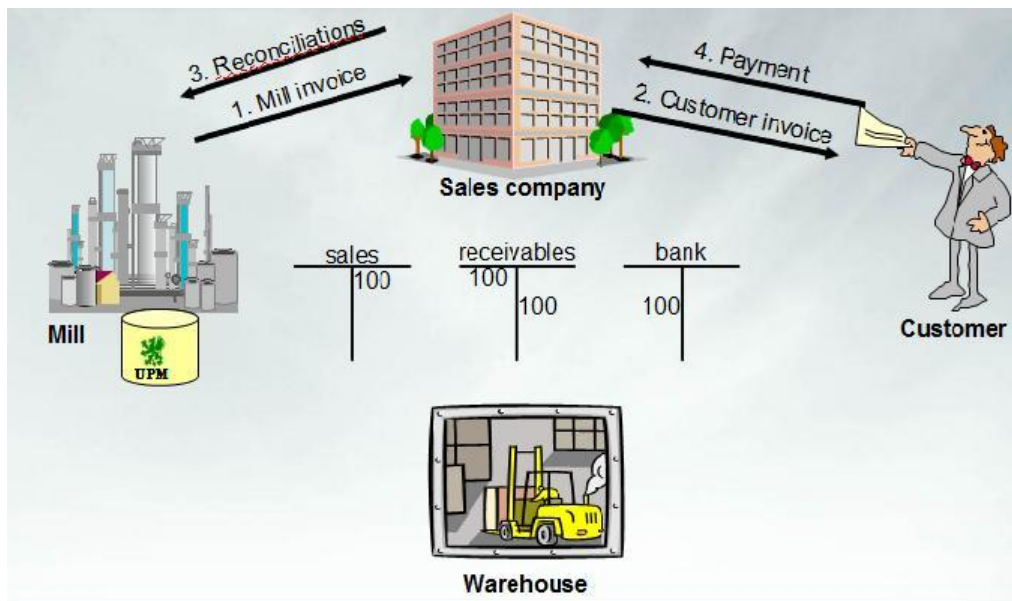


Figure 5 Accounts Receivable Brief Process Overview, UPM-Kymmene Oyj, 2010

## Accounts Receivable at UPM-Kymmene Oyj / Tulli Business Park

The accounts receivable process handling at UPM-Kymmene Oyj is divided into four groups according to the country of registration of the UPM unit. Northern and Central Europe are currently the regions with the most companies and volumes.

Table 3: UPM units in AR process scope, UPM-Kymmene Oyj, 2010

Northern Europe		Central Europe	
UPM-Kymmene PI AR+AP		Nordland Papier GmbH	
UPM-Kymmene Ab Sweden		UPM Papier GmbH	
UPM-Kymmene A/S Denmark		UPM Austria GmbH	
UPM-Kymmene AS Norway		NorService GmbH	
UPM-Kymmene AS Estonia		STAG Wasserkraft GmbH	
UPM Raflatac Oy		Steyrermühl Sägewerks GmbH	
Timber		UPM-Kymmene AG	
Kaukaan Sahan Huolto Oy		UPM-Kymmene B.V.	
UPM-Kymmene Otepää AS		UPM-KymmeneSp.zoo.oo	
UPM-Kymmene Wood Oy		UPM-Kymmene Srl.	
Metsä		Sales GmbH	
Forest AS Tallinn		UPM-Kymmene Kft.	
Forest AS Riga		Raflatac Poland Sp.zoo.oo	
Forest AS Vilnius		UPM-Kymmene Kagit Urunleri Ltd. Sti.	
Group Head Office		UPM-Kymmene Wood Oy, Istanbul Office	
UPM-Kymmene Seven Seas Oy		Nortrans Speditions GmbH	
UPM Sähkönsiirto		EEVG Entsorgungs – und Energieverwertungs GmbH	
Western Europe		UK and North America	
UPM-Kymmene France		UPM-Kymmene (UK) Ltd	
UPM-Kymmene NV/SA		UK Wood	
UPM Raflatac SAS		Raflatac UK Scarborough	
UPM-Kymmene S.A.		Raflatac Ireland	
UPM-Kymmene Com. Papel Lda		Raflatac South Africa	
UPM Raflatac Iberica SA		Raflatac Canada	
		Blandin Paper Co.	
		UPM-Kymmene Inc.	
		UPM Tilhill Ltd	



## GTS AR Process scope

The accounts receivable process scope inside GTS function includes a variety of tasks. Not only the posting of payments and monitoring customer accounts in SAP/R3 is done by AR personnel, but also interface reconciliations between the unit's invoicing legacy system and SAP FI/CO, payment requests, intercompany bookkeeping as well as archiving. A more detailed listing on which tasks are done on daily, weekly and monthly basis can be found in the table below.

*Table 4: Tasks in AR process scope by frequency*

AR task	Daily	Weekly	Monthly
Post customer payments	X		
Electronic transfers (incl. down payments)	X		
Cheques (incl. down payments)	X		
Bills of exchange (drafts)	X		
Clear customer items	X		
Clearing invoices & credit notes	X		
Received down payments against invoices	X		
Writing off payment differences and bad debts	X		
Reconcile sales invoice interfaces from legacy systems to SAP UP6	X	X	
Fixing errors in SAP	X		
Make AR payment requests		X	
Payment requests to AP concerning bonuses, payments to be returned etc		X	
Process recurring entries and manual invoices into SAP			X
Monitor inter-company billing in SAP	X		
Monitor and correct incoming IDocs to SAP with the help of other GTS functions	X		
Intercompany matching (AR)			X
Close AR period			X
Customer balance confirmations as requested / for audit purposes	when there is need		
Checking gaps in document number assignment			X
Archiving			X

### **3.4 Central European target countries**

The Central European scope includes 8 countries, of which the majority of companies (UPM-Kymmene units) are located in Germany and Austria. The units in CE scope include paper, timber sales and logistic companies united under the UPM Corporation.

#### **3.4.1 Germany**

##### **Company unit name**

Nordland Papier GmbH

UPM-Kymmene Papier GmbH & Co.KG

NorService GmbH

UPM-Kymmene Sales GmbH

Raflatac GmbH

Nortrans Speditions GmbH

With a share of 18% of sales revenue achieved in 2009, Germany is the leading market for UPM products (UPM-Kymmene Oyj, 2009, Annual Report). UPM Nordland Papier GmbH is one of the largest fine paper production facilities worldwide and UPM-Kymmene Sales GmbH has sales offices in more than 9 European countries, thus covering a large market. Raflatac GmbH has merged on 01.09.2010 with UPM-Kymmene Sales GmbH, forming now UPM Sales GmbH.

#### **3.4.2 Austria**

##### **Company unit name**

UPM-Kymmene Austria GmbH

Steyrermühl Sägewerks GmbH NfG KG

EEVG Entsorgung – und Energieverwertungs  
GmbH

STAG Wasserkraft

UPM - Kymmene Austria focuses on magazine and newsprint paper production with an annual output of 500.000 tons of paper. The Austrian units have an extensive history in paper production and the current facilities are operating on highly technological machinery. (UPM-Kymmene Oyj. 2010)

### 3.4.3 Switzerland

#### Company unit name

UPM-Kymmene AG

UPM-Kymmene AG was founded in Switzerland in 1974 as a sales company to market UPM-Kymmene's products, such as fine, newsprint and magazine papers as well as adhesive label products from the UPM Raflatac units. The company serves the market of Switzerland and Lichtenstein. (UPM-Kymmene Oyj, 2010)

### 3.4.4 Poland

#### Company unit name

UPM-Kymmene Sp.zoo.oo

Raflatac Polska S.p.zoo.oo

The UPM Raflatac plant in Wroclaw, Poland is one of the most modern production plants for self-adhesive label stock that is used in the food, cosmetics, domestic appliances and the transport sectors. The Polish market is in an ongoing growth period, providing excellent opportunities for the company's future.

### 3.4.5 The Netherlands

#### Company unit name

UPM - Kymmene B.V.

### 3.4.6 Hungary

#### Company unit name

UPM - Kymmene Kft.

Raflatac Kft.

The companies Raflatac Kft and UPM - Kymmene Kft have merged on 01.07.2010 and operate now under the name of UPM - Kymmene Kft. The company produces label, newsprint and fine paper items for the Hungarian market. (UPM-Kymmene Oyj. 2010)

#### 3.4.7 Italy

##### Company unit name

UPM-Kymmene Srl.

The Italian company codes (also UPM-Kymmene Sales GmbH has an Italian subsidiary) are especially challenging in terms of accounting and bookkeeping regulations. Italian legislation differs a lot from the general European requirements. UPM - Kymmene Srl. belongs to the Label Business group. (UPM-Kymmene Oyj. 2010)

#### 3.4.8 Turkey

##### Company unit name

UPM-Kymmene Wood Oy, Istanbul Office

UPM-Kymmene Kagit Urunleri Ltd. Sti.

The Turkish companies have been added to the GTS scope only in 2009, bookkeeping was done by the unit themselves before the transition to GTS. Company UPM-Kymmene Kagit Urunleri Ltd. Sti is partly sales company and partly belongs to the label business group, while UPM-Kymmene Wood Oy, Istanbul Office is a wood product manufacturing company. (UPM-Kymmene Oyj. 2010)

## 4 Archiving in theory

### 4.1 Archiving by definition

The definition of an archive and the derived verb according to the Oxford English dictionary is “a collection of historical documents or records providing information about a place, institution, or group of people:[as modifier] :a section of archive film the place where historical documents or records are kept... a complete record of the data in part or all of a computer system, stored on an infrequently used medium. Verb: to place or store (something) in an archive; Computing: transfer (data) to a less frequently used storage medium such as magnetic tape.”<sup>1</sup> (Oxford Dictionary, search term “Archive”, 2010)

The Society of American Archivists provides an explanation more related to the purpose of archiving, as stored records “have been selected for permanent or long-term preservation on grounds of their enduring cultural, historical, or evidentiary value. Archival records are normally unpublished and almost always unique, unlike books or magazines for which many identical copies exist. This means that archives (the places) are quite distinct from libraries with regard to their functions and organization, although archival collections can often be found within library buildings.” (Society of American Archivists, 2010)

Referring to financial data, an archive therefore is a place of storage for historical financial information of an organization for a given period of time for later reference and auditing purposes. The duration of time after which the documentation is free for destruction is called retention or detention time. How to correctly dispose of financial documentation will be reviewed in chapter 5.4 of this thesis.

### 4.2 Reasons for archiving of financial data

The requirements for archiving of financial data are determined by a variety of factors, such as company size, industry, stock exchange listing and country of operation. The reason of archiving hereby is the data's evidential value to auditors, governments and shareholders of

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1 “Archive”, Oxford Dictionary, retrieved from Oxford Dictionaries Online

correct business practices. Guidelines on which documentation is legally required to be kept, exist within every country, the most common and known of these frameworks are the International Finance Reporting Standards (IFRS).

The international finance reporting standards are principles and framework for financial accounting, developed by the International Accounting Standards Board (IASB), an independent private sector institution formed in 1973 as the International Accounting Standards Committee (IASC).

The foundation's core objective is *"to develop a single set of high quality, understandable, enforceable and globally accepted financial reporting standards based upon clearly articulated principles."* (IASB, who we are and what we do, July 2010). Initiating convergence of accounting principles and standardizing them globally to be used by enterprises and other organizations in their financial reporting has simplified business operations on a global scale and cleared up outdated reporting requirements.

Even though the IASB does not have authority to require compliance with their standards, almost 120 countries have either required or permitted the implementation of IFR standards in their listed companies by the year 2010.

As the European Union requires companies to use the IFRS as principles for financial reporting, the requirements for UPM-Kymmene units registered in different countries do not differ much. However, additional legislation in each country needs to be taken into consideration when developing archiving and reporting guidelines.

Below chart shows which countries of the G20 countries have either already implemented or will be implementing the use of the IFR standards in their economies.

Country	Status for listed companies
Argentina	Required for fiscal years beginning on or after 1 January 2012
Australia	Required for all private sector reporting entities and as the basis for public sector reporting since 2005
Brazil	Required for consolidated financial statements of banks and listed companies from 31 December, 2010 and for individual company accounts progressively since January 2008
Canada	Required from 1 January 2011 for all listed entities and permitted for private sector entities, including not-for-profit organizations
China	Substantially converged national standards
European Union	All member states of the EU are required to use IFRSs as adopted by the EU for listed companies since 2005
France	Required via EU adoption and implementation process since 2005
Germany	Required via EU adoption and implementation process since 2005
India	Converging with IFRSs over a period beginning 1 April 2011
Indonesia	Convergence process ongoing, a decision about a target date for full compliance with IFRSs is expected to be made in 2012
Italy	Required via EU adoption and implementation process since 2005
Japan	Permitted from 2010 for a number of international companies, decision about mandatory adoption, by 2016 expected around 2012
Mexico	Required from 2012
Republic of Korea	Required from 2011
Russia	Required for banking institutions and some other securities issuers, permitted for other companies
Saudi Arabia	Not permitted for listed companies
South Africa	Required for listed entities since 2005
Turkey	Required for listed entities since 2008
United Kingdom	Required via EU adoption and implementation process since 2005
United States	Allowed for foreign issuers in the US since 2007, target date for substantial convergence with IFRSs is 2011 and decision about possible adoption for US companies expected in 2011.

Figure 6 Current use of IFRSs in the countries of the G20, Source: IASB, 2010

## **4.3 Archiving systems**

### *4.3.1 Electronic vs. Paper archiving*

There is a variety of ways to archive data. In financial services the main distinction is between electronic and paper archiving.

**Paper archiving** describes the process of extracting hard copies of certificates and statements as well as reports from a system or creating them manually. These files are stored in a physical archive and be kept until the retention time has expired. After expirations of the retention time, the documents need to be destroyed according to the regulations for the particular document type.

**Electronic archiving** is the process of storing reports, statements, certificates and other documents in an electronic database. There are usually no retention times for electronically archived files, meaning no disposal of data is necessary.

With continuous technological progress paper archiving has lost in importance. Taking hard copies of statements and archiving them has a lot of disadvantages, such as a large input of labour effort in printing, labelling, storing the files and updating the archive and taking care of the correct disposal of documents once the retention time has expired. Also physical archives take a lot of space and finding and accessing needed files can sometimes be rather difficult and time intensive. With growing environmental and ecological awareness, companies encourage their employees to behave ecologically and economically responsible and decrease the paper consumptions.

However, also electronic archiving has draw-backs that need to be considered. First of all, technology allows us these days to run and archive an enormous amount of data on a daily basis. Defining which data is necessary to be archived and for how long usually does not cross a user's mind, as he cannot see the amount of data produced. Many company databases are therefore filled with information that is either not needed at all or not needed anymore. (Wright, Craig S., 2008)

Another downside of electronic archiving is more or less the retention time. Even though we



theoretically can store data forever, technological progress is developing on such a high pace that document formats used 10 years ago are today already out-dated and not used, meaning also in most of the cases they are not retrievable anymore. This difficulty is hard to tackle and the question what will become out of the masses of data, which we are archiving today, in fifteen to twenty years, makes physical and paper archiving for documents of high importance much more appealing. (Wright, Craig S, 2008)

Nevertheless, cost reduction and environmental responsibility support technological progress and companies are transitioning more and more from paper archiving to electronic archiving. Files stored electronically are easily accessible and they are accessible multiple times to print copies. They are not subject to physical damage through light, water or fire and back-up copies can easily be made. The paperless office is therefore the goal of a future oriented enterprise.

In accounts receivable process handling is dealt with a lot of different kinds of statements of high importance, which function as evidence how and why bookings on customer accounts have been done; or the regular running of reports that are archived in the system. A combination of paper and electronic archiving therefore is used to provide the best possible evidence for auditors and customers.

#### *4.3.2 Archiving in SAP FI/CO*

SAP FI/CO stands for two modules offered through SAP AG's ERP software, in which FI stands for Finance and CO for Controlling. SAP FI is the financial accounting module where regulatory and statutory data is followed / tracked and managed. (SAP Corporation, 2010)

The Finance module meets all accounting and financial requirements of an organization and provides overviews of

- General ledger
- Book closing
- Tax accounting
- Accounts receivable
- Accounts payable
- Asset Management (SAP AM)
- Consolidation
- Special ledgers

SAP CO represents the controlling module in SAP's product range. It provides management accounting functions, such as supportive information for planning, reporting and monitoring operations in the business environment. The software supports decision making through a high level of information that can be retrieved from the system. The controlling module includes the following components

- Cost Element Accounting
- Cost Centre Accounting
- Internal Orders
- Activity-Based Costing ( ABC)
- Product Cost Controlling
- Profitability Analysis
- Profit Centre Accounting

The archiving in SAP FI/CO has originated from both legal and technical reasons. The amount of data processed in SAP during one transaction day is extremely large, therefore the archiving of a particular part of data that is not needed in daily transactions, reduces storage and eliminates the risk of runtime problems that could be caused by the continuous growth of transaction data. Additionally, minimizing the amount of not archived data in the system simplifies the management of master data records and their maintenance. Therefore it is possible to archive data that is no longer required and remove it from the online system.

The archived data naturally does not get lost and is accessible at a later date if needed for auditing purposes or other investigation. This is necessary for legal and commercial reasons, and SAP's reload function enables to draw the information from the system, once it is needed.

Data that is meant to be archived needs to meet certain standard conditions, of which most are already control-defined in the system. For example the archiving of documents that include still open items is not possible.

## **5 Archiving requirements for Accounts Receivable Central Europe**

### ***5.1 Guidelines on how to archive per document type***

#### *5.1.1 Document types*

A document type is a way of classifying documents into groups that enable the creation of document templates and thus their data can be stored in an electronic document or records management system. Using the classification of different document types also enables users to retrieve files easier, as most electronic storage systems allow a search by document type. Most document types are classified generically, such as “letters” or “reports” than by the particular content of the document.

For documents archived in accounts receivable handling, I will make a distinction between documents and files retrieved from the electronic system SAP Fi/Co and documents received from either outside the company or other departments, such as payment requests or posting instructions by email.

#### *5.1.2 Archival of communication documents*

Generally no bookings on customer accounts are meant to be done without direct instructions from credit risk management or sales, apart from the normal daily incoming payment allocation. To keep track on changes on customer accounts and an overview of all open items, accounts receivable personnel is requested to document all communication of booking instructions and requests. These files are either maintained in the team mailbox where the requests are received, or they are attached to the posting documents in SAP and archived. E-mails are regularly archived using the archiving function in the mail program and the detention time is set to five years. After an email is archived, it is moved with its attachments from the network to database but remains in the search function.

#### *5.1.3 Archival of electronic reports*


All electronic reports are archived using SAP Fi/Co archiving function. Below you will find descriptions of each report archived for the central European companies. The schedule for archiving electronic reports is after every closing for the previous month's data, meaning in July the month June is archived. The reason for that is that only after the closing of the period all

transactions for the month to be archived are done and no changes can be made to the accounts any longer. Detailed instructions on how to archive the electronic reports are given in the electronic archiving job aid. However, this document has been removed from the public thesis version due to confidentiality on the commissioner's request.

### 1. List of Customer Open items

The purpose of archiving a list of customer open items at key date x is to show all open items for each customer in a given period. In this report it is also possible to list down payment requests. The report lists details on posting date, document type, document number, due date, currency, amount and any additional information added in the text field behind invoice/open item or customer master data. Prerequisite for running this report is that there are documents posted on the customer accounts, as otherwise the report would be zero.

To access and run this report there is a specific transaction code and / or menu path used to navigate in SAP. Details on these menu paths could not be published due to confidentiality.

Enter the company code and the last day of the previous month into the required fields and run the report by clicking .

Field	Description
Customer account	Leave blank
Company code	Enter your company code.
<b>Line item selection:</b> Open items at key date	Current date. All open items will be shown until this date
<b>Further selections:</b> Standard documents Parked documents Noted items	Tick the box which kind of documents you want to be listed. All open items All parked documents Down payment requests
<b>Output control:</b> S-Sort indicator (1-8) P-Sort indicator (1-7)  Print texts	1 (Sorting by reconciliation account) 1 (Sorting by special G/L indicator) By pressing F1 you will see other sorting possibilities Line items required, Subtotal and Total by currency are defaults. Choose rest by your needs.  Tick the box in order to get additional texts in master data and invoice to be printed

Due to local legislation, the running and archiving of the List of customer open items is required Germany and Switzerland only.

## 2. List of Customer Line Items

The List of customer line items report is used to present all line items on customer account with details. This report could be printed with all, cleared or/and open items. If using the dynamic selection opens, most of the customer master data information can be printed to the report. It can also be used to show customers and documents that have been blocked in a payment run. Prerequisite for running this report is again that there are documents posted on the customer accounts, as otherwise the report would be zero.

To access and run this report there is a specific transaction code and / or menu path used to navigate in SAP. Details on these menu paths could not be published due to confidentiality.

Enter the company code you are archiving for, then tick the box for "All items" and enter the first and last day of the previous month as the posting date.

Field	Description
Customer account	Enter the customer account or leave blank
Company code	Enter your company code.
<b>Line item selection:</b> All items Posting date	Enter the first and last day of the previous month. All items posted within that period will be shown.
Clearing date	Posting date of the payment document.
<b>Further selections:</b> Master record recon. account	Selection of G/L accounts.
Line item reconciliation acc	Selection of reconciliation accounts.
Standard documents Parked documents Noted items	Tick the box when needed. - Normal documents - Preliminary documents - Down payment requests
Item selection	Choose relevant number 1 All items 2 Cleared items 3 Open items

Field	Description
<b>Output control:</b>	Line items required, Subtotal and Total by currency are defaults. Choose rest according to your needs.

Due to local legislation, this report is required for companies listed in Italy, Germany, Switzerland, Austria, Netherlands and Turkey.

### 3. Customer Balances in Local Currency

The purpose of running the customer balances in local currency report is to generate a report of accounts receivable balances. This report can be run by customer, by reconciliation account or by account group. Prerequisite for running this report is again that there are documents posted on the customer accounts, as otherwise the report would be zero.

To access and run this report there is a specific transaction code and / or menu path used to navigate in SAP. Details on these menu paths could not be published due to confidentiality.

Note that this is a cumulative report.

Enter the company code, fiscal year and the reporting periods. The period starts from 01 and then to the latter field you enter the previous month (01 – 12).

Field	Description
Customer account	Enter or select an account, if you want report for specific customer or range.
Company code	Enter your company code.
Fiscal year	Fiscal year in question (default).
Reporting periods	01 – 16 (default).
Reconciliation account	Enter or select an account, if you want report for specific reconciliation number.
	If you want to run the report <b>by account group</b> , click 'Dynamic selections' or Shift + F4. Select 'Account group' on the left side and click 'Adopt selected items'. Select account group by using the dropdown menu in 'dynamic selections' menu on the right side.
Sp G/L indicator	Choose for all items in customer accounts which are updated to an alternative reconciliation account in G/L. Indicator determine which account is to be selected.

Due to local legislation, this report is required for companies listed in Italy, Germany, Hungary, Switzerland, Austria, Netherlands and Turkey.

#### 4. Overdue Customer Open items

The report for overdue customer open items shows the items open on customer account in age brackets and provides information from credit master data. This report can be sorted by various criteria. If no sorting is selected the customer value is the total sum of all selected company codes. Values are shown in group currency, using the exchange rate of the named key date. Prerequisite for running this report is again that there are documents posted on the customer accounts, as otherwise the report would be zero. Additionally, credit master data needs to be entered to the system.

To access and run this report there is a specific transaction code and / or menu path used to navigate in SAP. Details on these menu paths could not be published due to confidentiality.

For AR purposes only enter the company code/s and the last day of the reporting period.

Field	Description
<b>Company code</b>	Enter your one or range of company codes
Customer	Enter customer number or range if you want select to view a certain customer/s.
<b>Open items at key date</b>	Enter key date for open items.

Due to local legislation, this report is required for companies listed in Italy, Germany, Hungary, Switzerland, Austria, Netherlands and Turkey.

#### 5. Customer Payment History

The customer payment history report provides a detailed analysis of the payment history for analysis. It can also contain a forecast of payment values and payment arrears calculated based on existing payment history information. Prerequisite for running this report are that items from customer accounts have been paid.

To access and run this report there is a specific transaction code and / or menu path used to

navigate in SAP. Details on these menu paths could not be published due to confidentiality.

Field	Description
Customer account	Enter customer numbers if you want specified customer range. You can also use Multiple selections.
Company code	Choose the company for which you want to run the report.
Open item volumes	In this field you can limit to those customers whose volume of open items exceeds the value entered here.
Number of periods	This field determines the number of periods which are to be used to determine forecast, trend, average arrears and payment volumes. 16 (16 periods)

This report is only run for Italian companies. However, there has not yet been confirmation whether it is required for the Italian units. Therefore the need of archiving this report is still pending.

#### 6. Inquiry by customer line items

This transaction is used to display the open and cleared items for selected customers. Selection can be by open / cleared / all items, normal items/ special G/L transactions / noted items / parked items / customer items or down payment requests / down payments. There are additionally a variety of other selection and sorting options available. In this report items from more than one customer can be displayed in one list and individual or mass changes to posted line items can be made. Prerequisite of using this transaction is that there are or have been items posted on customer accounts.

To access and run this report there is a specific transaction code and / or menu path used to navigate in SAP. Details on these menu paths could not be published due to confidentiality.

Field	Description
Customer account	Enter customer account number
Company code	Enter your company code
<b>Line item selection:</b>	Tick the box as required.
Open items	Give key date for open items.
Cleared items	Give clearing date or range.
All items	You choose items with posting date.



Field	Description
<b>Type:</b>	Tick the box of the item/s you want to display.
Normal items	* Normal items are items in SAP that are neither special G/L transactions (e.g. down payments), nor noted items (e.g. down payment request), parked items (when you do not finish entering invoice details) or vendor items (when your customer is also your vendor).
Special G/L transactions	
Noted items	
Parked items	
Vendor items	

This transaction is only part of the electronic archiving for Italian companies. However, there has not yet been confirmation whether it is legally required for the Italian units. Therefore the need of archiving this report is still pending.

#### 7. Account Statement and 8. Open item list

This transaction is used to print and send forms from SAP, such as account statements and open items list. The statements can either be printed or directly send by fax or email, if the necessary contact information has been set up in the master data. There are several prerequisites for using the above mentioned transaction. First of all the customer account has to be created for the company code in SAP, then there needs to be an accounting clerk added to the customer master data, as the name will be printed onto the statement.

To access and run this report there is a specific transaction code and / or menu path used to navigate in SAP. Details on these menu paths could not be published due to confidentiality.

Choose either variant SAP06 for printing the account statement and add all information necessary or variant SAP08 for printing the Open Items List.

Field	Description
<b>Customer</b>	Enter customer account number.
SAP06 (statement)	Enter the period you want all transactions.
SAP08 (open items)	Enter the date until you want items.
ZUPM3 (interim statement)	Enter due date until you want items.

These reports are not required for any other country in the central Europe process scope, but for Italy.

### 9. Display Changes to Customers

The purpose of running this report is to display changes that have been done to the customer master data information. Prerequisites are that the customer is created in the customer master data and that changes have been made, as otherwise the report would show blank.

To access and run this report there is a specific transaction code and / or menu path used to navigate in SAP. Details on these menu paths could not be published due to confidentiality.

Leave customer field blank, enter first and last days of month you are archiving and tick box for General data and Company code data and enter company code you are archiving.

Field	Description
Customer	Leave blank unless you want to see changes to certain customer. In those cases give customer number.
Changed on	Give time period you are checking master data changes. e.g. 01.01.2005 – 31.01.2005
Changed by	Leave blank unless you want to see changes done by certain person. In those cases give k-id of person whose changes you want to view.
Further selections:	
General data	Tick the box if you want to see changes done to general data of customer i.e. changes done to name, address, bank etc. information.
All customers	Leave blank unless you want to see changes done to all customers in SAP regardless if customer is created to your company code or not.
Company code data	Tick the box if you want to see changes on customer's company code level data.
Company code	Enter your company code. This way you will see changes done to customers which are created to your company. Report show both general and company code data level changes if you have also ticked General data box earlier.

Due to local legislation, the running and archiving of this report is required for companies listed in Switzerland and Germany only.

### 10. Customer Open item analysis by balance of overdue items

This report provides information on customer open items and provides information from credit master data. It shows payment history, annual sales volumes as well as invoices in arrear and insurance limits. Prerequisite for running this report is again that there are documents posted on

the customer accounts, as otherwise the report would be zero. Additionally, credit master data needs to be entered to the system.

To access and run this report there is a specific transaction code and / or menu path used to navigate in SAP. Details on these menu paths could not be published due to confidentiality.

Enter the company code and the last day of the previous month to retrieve all open items on customer accounts at key date x.

Field	Description
Customer account	Enter customer numbers if you want specified customer range. You can also use Multiple selections.
Company code	Choose the company for which you want to run the report.
Reporting time Frame	Choose which fiscal years you want to review
Open Items at Key date	Enter the last day of the previous month.

This report is only required to be run for the companies listed in Austria.

#### 11. Customer Balances in totals for Customer

Prerequisite for running this report is again that there are documents posted on the customer accounts, as otherwise the report would be zero

To get to the *Customer Balances in Totals for Customers* screen and run the report, there is a specific transaction code and / or menu path used to navigate in SAP. Details on these menu paths could not be published due to confidentiality.

On the home screen, enter the company code, fiscal year and the reporting period you want to archive

This report is run for Poland only; it is, however, under investigation whether this report is necessary or the correct one to be used.

#### 12. Customer Balances with specification

Prerequisite for running this report is again that there are documents posted on the customer accounts, as otherwise the report would be zero

To get to the *Customer Balances with specification* screen and run the report, there is a specific transaction code and / or menu path used to navigate in SAP. Details on these menu paths could not be published due to confidentiality.

Enter the company code, fiscal year and the reporting period you want to archive

This report is run for Poland only; it is, however, under investigation whether this report is necessary or the correct one to be used.

### 13. Aged Analysis

This report is meant to show customer open items in age brackets, hereby can be chose between already overdue customer items or items that are not yet overdue in age brackets. Prerequisite for this report are open items on customer accounts.

To access and run this report there is a specific transaction code and / or menu path used to navigate in SAP. Details on these menu paths could not be published due to confidentiality.

Enter the company code to be reviewed and the last day of the previous month to show open items at key date x.

Field	Description
<b>Company code</b>	Enter your company code.
Customer	Enter customer number or range if you want select to view a certain customer/s.
Reconciliation account	Enter G/L account number (or range) if you want select to view a certain account/s.
<b>Open items at key date</b>	Enter key date for open items.

This report is only required for companies listed in Switzerland, due to local legal reporting requirements.

### Follow up on archived reports

The actual electronic archive's contents can be seen from the transaction OADR. In this transaction archived reports can be sorted and searching using different criteria, such as date, company code and year or by the ID of the person that has archived the report.

After the necessary reports have been archived, it is essential to record which reports were archived by whom and when, in order to keep track and enable an easy search for reports, once auditing purposes require it. Therefore I have created a follow-up excel used by AR CE team to register when they archive reports for their region and mark them with their initials. This follow up excel can be found from [Appendix 2](#) .

Overview of electronic reports to be archived by country<sup>2</sup> of process scope

Report to be archived	SAP Transaction	Retention time	IT	GER	HU	SUI	POL	AUT	NED	TUR
List of customer line items	Confidential	10	X	X		X		X	X	X
Customer balances in local currency	Confidential	10	X	X	X	X		X	X	X
Overdue Customer Open items	Confidential	10	X	X	X	X		X	X	X
Customer payment history	Confidential	10	X							
Display/change line items	Confidential	10	X							
Account Statement Variant SAP06	Confidential	10	X							
Open Item List Variant SAP08	Confidential	10	X							
Display Changes to Customers	Confidential	10		X		X				
Customer open item analysis (overdue items balance)	Confidential	9						X		
Customer balances in totals for Customer	Confidential	10					X			
Customer balances with specification	Confidential	10					X			
Aged Analysis	Confidential	10			X					
List of customer open items	Confidential	10		X		X				

<sup>2</sup> Countries in AR process scope: Italy (IT), Germany (GER), Hungary (HU), Switzerland (SUI), Poland (POL), Austria (AUT), Netherlands (NED) and Turkey (TUR)

#### *5.1.4 Physical or Paper archiving regulations*

As already mentioned in chapter 4.3, physical or paper archiving describes the process of filing hard copies of certificates and statements extracted from a system or created manually as well as their maintenance.

In accounts receivable several documents of high importance to auditors are handled, such as bank statements, interface reconciliation reports, posting and clearing documents as well as period closing documentation. This chapter is designed to explain each of these documents and advice on their archiving regulation.

UPM-Kymmene Oyj has established harmonized archiving guidelines per document type according to IFRS requirements. As the Central European countries are all required to comply with IFR standards, the guidelines for physical archiving do not differ by country.

#### Daily Bank Statements and IHC statements

A bank statement is a statement that provides an overview of all transactions on the account for the account holder. (Financial Dictionary, 2009) In accounts receivable, bank statements are printed from SAP, after the Cash Management team has received them from the bank and posted them to SAP.

Bank statements are used in Accounts Receivable for the allocation of incoming payments to customer accounts and their clearing against invoices. In the majority of cases the information on the bank statement provides enough instructions about the payment allocation, if invoice numbers or references are stated by the customer. IHC statements are bank statements of intercompany payments, meaning if one UPM company (unit) buys from and sells to another UPM company. These statements are treated like normal bank statements and incoming payments allocated accordingly.

UPM-Kymmene Austria GmbH Steyrermühl		Time 10:48:24 Date 02.10	
Bank no.: [blacked out]		Account number: [blacked out]	Statement number: 00192
House bank: [blacked out]		Acct ID: EUR	Statement date: 30.09.2010
Beginning balance 0,00		ID: [blacked out]	Currency EUR
Total Debit [blacked out]			
Total credits [blacked out]			
Ending balance 0,00			

MR no	Value date	Payment Notes	Posting text	AC	Amount
19	30.09.2010	051700UEBERWEISUNGSGUTSCHRIFT?1008505?206GUTSCHRIFT [blacked out]	Beginning balance	EUR	0,00
		[blacked out]		EUR	[blacked out]
		102732540043686			
		Reference NONREF			
*				EUR	[blacked out]

Figure 7 Bank statement example, Source UPM-Kymmene, SAP Fi/Co, (Confidential information blackened)

After each allocation of an incoming payment, a posting number with document type ZV is generated. These document numbers are stored in the SAP system and are used to trace back transactions and their effect on the customer accounts. Additionally, after posting and clearing all payments from the bank statement and the G/L account, a clearing document is generated with document type ZC.

ID	NAME	NB range ID	Document numbers External/Internal range	Account types allowed	Reversal document type
ZC	Clearing document	ZC	64000000-64999999	C, V, GL	ZC
ZV	Payment clearing	64	66000000-66999999	C, V, GL	ZV

Figure 8 Document types, Source: UPM-Kymmene Oyj, 2009

As the bank statements are of high importance in terms of posting justification and follow up on customer account transactions, the files need to be stored for ten (10) years. Bank statements are both filed electronically in SAP and on paper in the physical archive. The statements need to be filed with all communication referring to payments on the statements and any posting instructions given. Annually, the Central European companies generate about a hundred folder boxes of bank statements to be stored.



### Interface reconciliation documents

Interface reconciliation describes the process of monitoring that all invoices issued in the companies' legacy systems have successfully transferred to SAP via interface and hold the correct information. The activity of reconciling interfaces includes reception of legacy system report and printing the SAP equivalent, comparing balances and fixing errors if necessary.

Interface reconciliation does not as such generate any document types, as the invoices generated in the legacy systems have a particular document type already. Possible document types from central European legacy systems are DB/DC/DE/DF/DU/DV/C8/C9/DH/DI/HD, of which each is either credit note or invoice. The UPM companies used a variety of legacy systems that generate invoices, different for business groups (paper, label, wood, plywood, and logistics), therefore the document type range is quite large.

ID	NAME	NB range ID	Document numbers External/Internal range	Account types allowed	Reversal document type
DB	Interfaced sales invoice S1	DB	DBxxxxxxxx	A, C, GL	DD
DC	Interfaced credit notes S1	DC	DCxxxxxxxx	A, C, GL	DD
DD	Cancel/reverse-AR	DD	21000000-21999999	A, C, GL	DD
DE	Interfaced sales invoice S2	DE	DExxxxxxxx	A, C, GL	DD
DF	Interfaced credit notes S2	DF	DFxxxxxxxx	A, C, GL	DD
DH	SD Customer invoice	DH	1000000000-1999999999	A, C, GL	DH
DI	SD Customer credit invoice	DI	2000000000-2999999999	A, C, GL	DI

DU	Interfaced sales invoice S3	DU	DUxxxxxxxx	A, C, GL	DD
DV	Interfaced credit notes S3	DV	DVxxxxxxxx	A, C, GL	DD

C8	AR Logistic cost recharges credit memo interface (G-Log)	C8	C8xxxxxxxx	A, C, GL	DD
C9	AR Logistic cost recharges invoice interface (G-Log)	C9	C9xxxxxxxx	A, C, GL	

Figure 9 Document types, Source: UPM-Kymmene Oyj, 2009

As the fixing of errors or deletion of batches in the interfaces straightly affects to invoices, payment terms, taxation and therefore customer accounts and their bookkeeping, it is required to store interface reconciliation files and all communication about instructions and actions taken for six (6) years.

### Customer clearings

Customer clearing is the process of allocating payments and invoices that were posted on the account against each other. These transactions are either to clear documents that were cancelled (and of which the balance is zero) or the solving of old open cases and unclear payment allocations. This transaction again generates document type ZC.

ID	NAME	NB range ID	Document numbers External/Internal range	Account types allowed	Reversal document type
ZC	Clearing document	ZC	64000000-64999999	C, V, GL	ZC

*Figure 10 Document types, Source: UPM-Kymmene Oyj, 2009*

As these documents again have a large impact on the transactions on customer account and will help to trace back decisions that were made in the past, they are extremely important to be kept as well as all correspondence and instructions from credit control or unit. The retention time for clearing documents has been set to six (6) years.

### Balance confirmations

A balance confirmation is the confirmation of total balance of open items on the customer account as of a certain key date. Balance confirmation requests are usually sent by customers after the year closing in order to match their open balances with their supplier's balance. In most of the cases the balance confirmation is sent to the customer's auditors for investigation.

AR is not required to archive balance confirmations that are sent out to customers, it is sufficient to keep a copy of the confirmation for a period of approximately six months in order to be able to cooperate with customer's auditors if there is any discrepancy in both parties' bookkeeping.

Balance confirmations do not generate SAP document types, they usually include a list of open items attached to a formal letter stating the confirmed or unconfirmed balance, signed by AR employee. They are temporarily filed but do not transfer to the physical archive and are no part of the archiving process.

#### Manual postings or manual documents

Manual postings and the resulting manual documents are the postings of items to the customer account based on instruction and request of credit control or company unit. These items can include manual invoices, credit notes, recharges, recurring invoices for purposes such as rents and bad debt postings. As the purpose of manual postings is so diverse, the SAP document types range is large: DN, DS, DZ, ZV, D4, D1 and DO documents can be created.

Manual documents used to be printed, signed and archived with a retention time of 6 years. However, requirements changed and the physical archiving of these documents is no longer necessary, as long as all requests and email instructions have been electronically attached to the SAP posting document in order to trace the decision making process.

#### Gaps in document number assignment

AR personnel need to check the gaps in document number assignment for their companies. As posting and document numbers should always be in sequence, theoretically there should not be any gaps in invoice numbers and any other documents in SAP, meaning no document number should be missing from the system. As a period end task it is therefore necessary to run a SAP report checking all document types permitted per company code and find gaps and their explanation, like for example deleted invoices in the interface reconciliation or reversals / clearings and postings in different periods.

The retention time for the printed copies of the gaps in document number assignment report is six (6) years. The files will be archived together with explanations from the unit for missing documents.

#### Intercompany matching

As already mentioned, UPM units buy and sell goods from one another. The resulting customer and vendor accounts are registered and tracked in Accounts Receivable and Accounts Payable, where each invoice or credit note needs to have the correct counter posting on the opposite side. These intercompany balances are checked and confirmed on a quarterly basis and in case of mismatches accruals need to be made. Documentation on these matchings and all confirmation forms need to be archived for six (6) years.

Parent Company			
Subsidiary A		Subsidiary B	
Assets / Receivables	Liabilities/ Payables	Assets / Receivables	Liabilities/ Payables
100			100

The table above shows the general rule of double entry bookkeeping in the IC (intercompany) process. If subsidiary A sells goods worth 100€ to subsidiary B, it will be booked as 100€ to their receivables (as they will receive a payment of 100€ from B), while in B's books it will be entered into the liabilities or payables' section, as B owes 100€ to A for the goods they received.

### Document types

The below document types are handled in SAP Fi/Co under AR process.

Document Type	Description	Source
<b>DB/DC/DE/DF/DU/</b>	Invoices and credit notes	Legacy system interface
<b>DV/C8/C9/HD</b>		
<b>DZ</b>	Customer Payment	Posting number for incoming customer payments
<b>ZV</b>	Payment Clearing	Posting document after allocating incoming payment
<b>ZC</b>	Clearing document	Posting document after clearing on G/L or customer account
<b>DO</b>	Manual invoice	Used for recurring entry postings
<b>DN/DS</b>	Manual Invoice / Credit	Posting document for manual invoices / credits
<b>D4</b>	AR miscellaneous clearing	Manual AR postings
<b>D1</b>	Bill of Exchange	BoE posting
<b>DL/DM</b>	Down Payment	Posting and Clearing document numbers
	Down Payment Clearing	

## 5.2 Migration to the main archive

The migration of documents and files from the local archive to a centralized main archive is a regular activity in large sized firms. It allows the local archives to free up needed storage space and the central archive gets a regular update on files and represents the central contact point for auditors. UPM-Kymmene Oyj's central archive is located in the city of Valkeakoski, about 50km south-east from Tampere.

Files are regularly transferred from Tampere Tulli Business Park local archive to Valkeakoski, usually about once a year. The migration requires a certain amount of preparation, usually fulfilled by the nominated archiving specialist per team.

Before the files can be transferred to the central archives, all paper documents need to be packed into cardboard boxes and labeled according to document type, retention period, company unit, etc. Please see the attachment for examples on the required and harmonized label templates used in AR. All boxes have to be entered into an Archive Filing List, as shown in Figure 10.

UPM-Kymmene FS										1(1)
Team name										30.06.2008 11:41
FILING LIST										
Number of files (archive boxes)	Packing ID (info to Central archives)	Co/Co	Filing code	Description	Period	Due for destruction (year)	Location	Location index (given by VLK Archives)	Transfer date to Central archives (VLK)	Notes
3	AR1	1107	B01.01.01.DD	DD Cancel-Reverse-AR	2007	2018	VLK		05.08.2008	Numbers 1-3
2	AR1	3502	B01.01.01.DD	DD Cancel-Reverse-AR	2007	2014	VLK		05.08.2008	Numbers 4-5
13	AR1-3	1107	B01.01.01.DZ	DZ Customer Payment (incoming)	1 - 6 2008	2019	VLK		05.08.2008	Numbers 6-18
5		7722	B01.01.01.DZ	DZ Customer Payment (incoming)	1 - 6 2008	2015	TBP K-2			
5		3502	B01.01.01.DZ	DZ Customer Payment (incoming)	1 - 6 2008	2015				

Figure 11 Archive Filing List, Source: UPM-Kymmene Oyj, 2009

As already mentioned earlier, it is important to make exact distinctions on which companies (company codes) are filed in which boxes, for which periods and especially for which document types, as retention times vary by document type. After that all numbered boxes will be packed into moving boxes, which are numbered as well and the information is registered in the filing list that needs to be updated in the UPM database to enable access for both AR personnel as well as for the archivists in Valkeakoski.



*Figure 12 TBP Archive before transfer to Valkeakoski Main Archive, 10.08.2010, (photographer: Jennifer Bruss)*

### **5.3 Disposal requirements for documents with expired retention time**

#### *5.3.1 Reasons for document retention*

As already previously mentioned, nowadays enterprises produce a large amount of data through daily transactions and in order to maintain a feasible archive it is essential that documents that are no longer needed for business processes are correctly disposed of.

Main reasons for document retention in an overview:

- retention of important documents for reference and future use
- organization of documents for retrieval
- reduction of document volume to reduce storage and administration cost

Document disposal means the, in most cases irrevocable, elimination of documentation, so it would not be available for later use any longer. There are legal requirements on document disposal to avoid misuse, such as no documents are to be released for disposal if they possibly function as evidence in ongoing court disputes. A company needs to establish a set of guidelines complying with legislation on the length of retention times per document type and once the retention time has expired, how to dispose of the left over documents.

#### *5.3.2 Document types in retention process*

According to Howard W. Ashcraft the basic rule in a functioning retention policy is to categorize documents into three types: temporary, final and permanent.

*Temporary documents* hereby are files that are intermediate and only used in the process of creating final documents or files that are updated and superseded by newer versions. Such documents are for example drafts, rough calculations and research notes specific to a project. These documents should be discarded as soon as a project is closed.

*Final documents* are documents that are not incorporated into later documents and not updated by newer versions. Such files for example are project correspondence, logs and accounting data and is only to be discarded after a ten year retention time.

*Permanent documents* represent a sub-category of final documents. They are Source documents for later work or transcripts of final findings and designs. Examples of permanent documents are final reports, contracts and contract amendments as well as any calculation, specification or design that is a project deliverable. Such documents should never be discharged.

#### **Basic Retention Schedule according to Howard W. Ashcraft**

Document Type	Retention Period
Temporary	Until Project Closure
Final	10 Years After Project Closure
Permanent	Forever

*Figure 13 Howard W. Ashcraft, Document Retention, 2002*

#### *5.3.3 Types of document disposal*

To avoid any kind of unauthorized access to a company's data, documents that are confidential and due for destruction must be disposed of in the most secure way. There are mainly three ways to correctly and securely dispose of confidential documents: shredding and burning the documents until they are no longer restorable and the discharge of electronic files and data. A company most likely makes use of a combination of these three destruction methods to ensure correct waste disposal for all document types.

#### Shredding

Shredding paper is the process of cutting it into small pieces that makes the retrieval of printed data impossible or extremely difficult. For small businesses shredding paper is the most convenient and cost-effective way of document disposal, as paper shredders are easily purchased and simply to use. Also larger companies like UPM use shredding as the document destruction method, however, in the majority of cases the process is outsourced to a trusted service provider.

Paper shredding is an environmental friendly way of document disposal, as the destroyed paper waste can be recycled.



### Burning

Burning confidential documents describes the process of setting documents on fire and burning them until any information printed on the paper is not retrievable anymore. The burning of data needs to be done in a secure environment and the remaining ashes need to be disposed properly. Burning seems to be the most secure way of document destruction, as usually nothing but ashes remain from the once confidential document.

### Disposal of electronic files

Electronic files due for destruction need to be either physically destroyed (meaning disks, any hardware) or irrevocably deleted.

## 6 Conclusion

The correct archiving of financial data complying with international and local legislation is of extreme importance for a company like UPM-Kymmene Oyj. Being able to answer the responsibility towards government, auditors and customers of accurate accounting and transaction bookkeeping supported by evidential documents that are accessible and well maintained has first priority.

When defining the research methods, investigations on qualitative and quantitative research needed to be conducted. Due to the nature of the final thesis, the author chose to base her findings on qualitative research, as only this research method enables a thorough explanation on why and how archiving of financial data should be carried out for accounts receivable. In contrast to quantitative research, which requires data that can be statistically and mathematically represented, qualitative research focuses on providing in depth explanations on policies and phenomena.

Secondary data was the main source of information for this final thesis, as all legal texts, information from closing and reporting (CAR) and theory material on archiving had already been created by someone other than the author of this thesis. However, the author also provided primary data such as material created based on observations during the archiving process and follow up files that ensure correct and complete archiving in AR CE. The files are currently in use by the commissioner company.

The commissioner company, UPM-Kymmene Oyj, is a Finnish paper, pulp and timber manufacturer and one of the industry leaders worldwide. The company's financial services centre is located in Tampere, providing services on purchase invoice handling, accounts receivable, accounts payable, travel expense claims and cash management as well as closing and reporting function. This thesis deals with the accounts receivable department for the central European region, including the target countries Germany, Austria, Switzerland, Italy, Poland, Hungary, Netherlands and Turkey.

Accounts receivable items are current assets occurred by selling a product or services to an entity outside the organisation and count on profit and loss accounts as income. Accounts Receivable handling includes tasks such as correct allocation of incoming payments and their investigation, maintenance of customer accounts, interface reconciliation as well as archiving of financial data such as bank statements and document postings.

Due to the importance of the financial data handled in accounts receivable, the company is required to ensure correct storage and maintenance of documents for their explanatory value to customers and auditors. The requirements how and for which duration these documents need to be archived are recorded in the International Finance and Reporting Standards (IFRS), which have also been subject to investigation in this thesis.

A very important part of the investigation in this final thesis was also the variety of archiving systems and their requirements. As companies are moving towards a paperless office, the importance of electronic archiving and the future of our currently used electronic systems becomes a focal point in document maintenance. This thesis provides information on advantages and draw-backs of both archiving systems, taking into consideration retention times and volumes, cost as well as environmentally conscious thinking.

The core task of this final thesis was to provide guidelines on how to archive which document types by region and a detailed manual is attached to this thesis, providing all information necessary to ensure complying archiving processes for the central European region. This thesis also provides a short overview on the migration process of documents to the main archive in Valkeakoski and on document retention procedures after the retention time for the transferred files has expired.

The main objective of this final thesis was to establish guidelines updated to the latest standards on archiving regulations and translate them into a harmonized implementation for the accounts receivable handling in central European companies. As this paper provides sufficient background information and applied local legislation as well as IFRS standards, provided by UPM-Kymmene's Closing and Reporting function, the goal of creating a complying basis for a guidebook to archiving and therefore providing resource material for AR CE at UPM has been accomplished. Nevertheless, the actual investigation based on legal texts was not carried out, and therefore additional research might be necessary for a more in depth explanation of legal requirements, as the investigation of statutory texts requires a deep understanding and knowledge of the subject.

Reviewing theories and best practices on accounting, accounts receivable handling and archiving regulations, as well as putting this information into practice and presenting enough guideline on correct archiving electronically and on paper by country of company registration was the main challenge in completing this paper. The instructions given after investigation as well as excels for following up the correct and complete archiving process are in use by the commissioner company UPM-Kymmene Oyj, AR CE team and have simplified the understanding and implementation of correct archiving and file documentation.

However, it needs to be taken into consideration that local and international legislation are under constant improvement and change and therefore these guidelines will not remain as they are but will be under continuous development in the future. The task of maintaining the created guidebook needs to be assigned to an AR CE team member in order to guarantee that the information remains up to date and to ensure that the completeness and compliance of archiving is tracked.

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## Appendices

### Appendix 1 Glossary<sup>3</sup>

Accounting	The process or work of keeping financial accounts.
Accounts Receivable	money owed to a business, i.e.: credit sales
Archive	The place where historical documents or records are kept. A complete record of the data in part or all of a computer system, stored on an infrequently used medium.
Assets	An item of property owned by a person or company, regarded as having value and available to meet debts, commitments, or legacies.
Depreciation	A reduction in the value of an asset over time , due in particular to wear and tear.
Forest Industry	Lands owned by companies that grow timber for industrial use. Includes companies both with and without wood processing plants. <sup>4</sup>
G/L	General Ledger, a record of all financial transactions within an entity
G20	The G-20 is a forum that was proposed by former Canadian Prime Minister Paul Martin for cooperation and consultation on matters pertaining to the international financial system. It studies, reviews, and promotes discussion (among key industrial and emerging market countries) of policy issues pertaining to the promotion of international financial stability, and seeks to address issues that go beyond the responsibilities of any one organization
Liabilities	money owed to creditors, vendors
Profit	money remaining after all expenses and taxes have been paid
Retention time	time frame during which records need to be kept in the archive
SAP	SAP AG, German company, world leader in providing ERP solutions to businesses
Transaction	entry / movement on an account

<sup>3</sup> based on definitions by Oxford dictionary of English language

<sup>4</sup> based on Glossary for the Updated California Forest Statistic Abstract

## Appendix 2 Follow Up Excel


Below shown excel serves as a follow up file for electronic archiving per region / country for the AR CE team. All required reports are listed per month and the archivist fills date and initials after archiving the reports to excel to keep track.

Microsoft Excel - Electronic Archiving 2010.xls [Shared]													
File Edit View Insert Format Tools Data Window Help													
Arial 10 B I U % +.00 .00													
C20 02.08.2010													
	A	B	C	D	E	F	G	H	I	J	K	L	M
1	1020				1205			1204			8651		
2		<b>Name</b>	<b>Date</b>	<b>Initials</b>		<b>Date</b>	<b>Initials</b>		<b>Date</b>	<b>Initials</b>		<b>Date</b>	<b>Initials</b>
3	<b>January</b>	List of customer line items	23.02.2010	JBR		23.02.2010	JBR		23.02.2010	JBR		23.02.2010	JBR
4		Customer balances in loc cur	23.02.2010	JBR		23.02.2010	JBR		23.02.2010	JBR		23.02.2010	JBR
5		Overdue Customer Open items	31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR
6		Customer open item analysis	31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR
7	<b>February</b>	List of customer line items	16.03.2010	JBR		16.03.2010	JBR		16.03.2010	JBR		16.03.2010	JBR
8		Customer balances in loc cur	16.03.2010	JBR		16.03.2010	JBR		16.03.2010	JBR		16.03.2010	JBR
9		Overdue Customer Open items	31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR
10		Customer open item analysis	31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR
11	<b>March</b>	List of customer line items	05.05.2010	JBR		05.05.2010	JBR		05.05.2010	JBR		05.05.2010	JBR
12		Customer balances in loc cur	05.05.2010	JBR		05.05.2010	JBR		05.05.2010	JBR		05.05.2010	JBR
13		Overdue Customer Open items	31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR
14		Customer open item analysis	31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR
15	<b>April</b>	List of customer line items	05.05.2010	JBR		05.05.2010	JBR		05.05.2010	JBR		05.05.2010	JBR
16		Customer balances in loc cur	05.05.2010	JBR		05.05.2010	JBR		05.05.2010	JBR		05.05.2010	JBR
17		Overdue Customer Open items	31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR
18		Customer open item analysis	31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR		31.05.2010	JBR
19	<b>May</b>	List of customer line items	02.08.2010	JBR		02.08.2010	JBR		02.08.2010	JBR		02.08.2010	JBR
20		Customer balances in loc cur	02.08.2010	JBR		02.08.2010	JBR		02.08.2010	JBR		02.08.2010	JBR
21		Overdue Customer Open items	02.08.2010	JBR		02.08.2010	JBR		02.08.2010	JBR		02.08.2010	JBR
22		Customer open item analysis	02.08.2010	JBR		02.08.2010	JBR		02.08.2010	JBR		02.08.2010	JBR
23	<b>June</b>	List of customer line items	09.07.2010	HKI		09.07.2010	HKI		09.07.2010	HKI		09.07.2010	HKI
24		Customer balances in loc cur	09.07.2010	HKI		09.07.2010	HKI		09.07.2010	HKI		09.07.2010	HKI
25		Overdue Customer Open items	09.07.2010	HKI		09.07.2010	HKI		09.07.2010	HKI		09.07.2010	HKI
26		Customer open item analysis	09.07.2010	HKI		09.07.2010	HKI		09.07.2010	HKI		09.07.2010	HKI
27	<b>July</b>	List of customer line items	03.09.2010	JBR		03.09.2010	JBR		03.09.2010	JBR		03.09.2010	JBR
28		Customer balances in loc cur	03.09.2010	JBR		03.09.2010	JBR		03.09.2010	JBR		03.09.2010	JBR
29		Overdue Customer Open items	03.09.2010	JBR		03.09.2010	JBR		03.09.2010	JBR		03.09.2010	JBR
30		Customer open item analysis	03.09.2010	JBR		03.09.2010	JBR		03.09.2010	JBR		03.09.2010	JBR
31	<b>August</b>	List of customer line items											
32		Customer balances in loc cur											
33		Overdue Customer Open items											
34		Customer open item analysis											
35	<b>September</b>	List of customer line items											
36		Customer balances in loc cur											
37		Overdue Customer Open items											
38		Customer open item analysis											
39	<b>October</b>	List of customer line items											
40		Customer balances in loc cur											
41		Overdue Customer Open items											
42		Customer open item analysis											
43	<b>November</b>	List of customer line items											
44		Customer balances in loc cur											
45		Overdue Customer Open items											
46		Customer open item analysis											
47	<b>December</b>	List of customer line items											
48		Customer balances in loc cur											









### Appendix 3 Filing Labels

Below label template is in use in AR CE team in order to simplify the labeling and archiving process within the AR CE team. The labels itself are general UPM templates, but the archiving codes, document types and file types have been added by me to a separate excel in order to serve all AR CE documents and company codes. and make the usage more clear and easier

 <b>UPM</b>	<b>Instructions</b>  COMMON: You can freely adjust the size of the label to fit the folder label pocket.  The company which documents are archived
<b>Company Oy Unit</b>	
Company code	
<b>1234</b>	Company code of the above described company
Document Type/Tositelaji	
<b>XX</b>	Give here all the document types that are archived in the specified folder. For lists you can define a short name in here.
Document Title/ Asiakirjan nimi	
Xyyyy yyyy	Describe the contents, e.g. name of the document type (like Bank statement, Interface reconciliation (with system name!) etc)
Document numbers/ Tositenumerot	
1111111111 - 9999999999	Give here all document number ranges included in the specified folder
Period of documentation/aika	
<b>2008</b>	Define here the exact period
Filing code/arkistointitunnus	
B01.01.02.05	Respective archive code. See CAR NE & GTS Archive code instructions.
Retention time/Säilytysaika	
6 years	Add here the retention time. See CAR NE & GTS Archive code instructions.
Due for destruction/Hävitysvuosi	
2015	Define here the year for destruction retrieved from the Period of documentation and Archiving time.

On the following pages can the label templates be found that the author created for the use of AR CE team. Labels are document type and system specific and instructions are attached when necessary.



 <b>UPM</b>	 <b>UPM</b>	 <b>UPM</b>	 <b>UPM</b>	 <b>UPM</b>	 <b>UPM</b>
<b>Company Oy Unit</b>	<b>Company Oy Unit</b>	<b>Company Oy Unit</b>	<b>Company Oy Unit</b>	<b>Company Oy Unit</b>	<b>Company Oy Unit</b>
Company code	Company code	Company code	Company code	Company code	Company code
<b>1234</b>	<b>1234</b>	<b>1234</b>	<b>1234</b>	<b>1234</b>	<b>1234</b>
Document Type/Tositelaji	Document Type/Tositelaji	Document Type/Tositelaji	Document Type/Tositelaji	Document Type/Tositelaji	Document Type/Tositelaji
<b>DB / DC</b>	<b>DB</b>	<b>DZ / ZV</b>	<b>ZC</b>	<b>DZ / ZV</b>	
Document Title/ Asiakirjan nimi	Document Title/ Asiakirjan nimi	Document Title/ Asiakirjan nimi	Document Title/ Asiakirjan nimi	Document Title/ Asiakirjan nimi	Document Title/ Asiakirjan nimi
<b>Interface reconciliation CAL</b>	<b>Interface reconciliation FPSS</b>	<b>Bank Statement</b>	<b>Customer Clearing</b>	<b>IHC</b>	<b>Balance Confirmations</b>
Document numbers/ Tositenumerot	Document numbers/ Tositenumerot	Bank statement numbers/ Tositenumerot	Bank statement numbers/ Tositenumerot	Bank statement numbers/ Tositenumerot	Bank statement numbers/ Tositenumerot
		<b>( CZECH ) GL 19xxxxxx</b>	<b>( CZECH )</b>	<b>( CZECH ) GL 19xxxxxx</b>	
		Statement Nr.: 00001 - xxxxxx		Statement Nr.: 00001 - xxxxxx	
Period/aika	Period/aika	Period/aika	Period/aika	Period/aika	Period/aika
<b>01.01. - 31.12.2010</b>	<b>01.01. - 31.12.2010</b>	<b>01.01. - 31.12.2010</b>	<b>01.01. - 31.12.2010</b>	<b>01.01. - 31.12.2010</b>	<b>01.01. - 31.12.2010</b>
Filing code/arkistointitunnus	Filing code/arkistointitunnus	Filing code/arkistointitunnus	Filing code/arkistointitunnus	Filing code/arkistointitunnus	Filing code/arkistointitunnus
<b>B01.01.01.DB / DC</b>	<b>B01.01.01.DB / DC</b>	<b>B01.01.01.DZ</b>	<b>B01.01.07.ZC</b>	<b>B01.01.01.DZ</b>	<b>B01.03.01.01</b>
Retention time/Säilytysaika	Retention time/Säilytysaika	Retention time/Säilytysaika	Retention time/Säilytysaika	Retention time/Säilytysaika	Retention time/Säilytysaika
<b>6 years</b>	<b>6 years</b>	<b>10 years</b>	<b>6 years</b>	<b>10 years</b>	<b>6 years</b>
Due for destruction/Hävitysvuosi	Due for destruction/Hävitysvuosi	Due for destruction/Hävitysvuosi	Due for destruction/Hävitysvuosi	Due for destruction/Hävitysvuosi	Due for destruction/Hävitysvuosi
<b>2016</b>	<b>2016</b>	<b>2020</b>	<b>2016</b>	<b>2020</b>	<b>2016</b>






**Instructions:**

Includes allocated cheques,  
advance payments, payment  
advice, etc  
for cc2017 fill in the correct  
country

no need to type document nr.  
for cc2017 fill in the correct  
country

for cc2017 fill in the correct  
country

**NOTE: No need to archive  
balance confirmations! Keep  
them for a few months until  
PWC audit is over, then  
dispose!**

 <b>UPM</b> Company Oy Unit	 <b>UPM</b> Company Oy Unit	 <b>UPM</b> Company Oy Unit	 <b>UPM</b> Company Oy Unit	 <b>UPM</b> Company Oy Unit
Company code	Company code	Company code	Company code	Company code
<b>1234</b>	<b>1234</b>	<b>1234</b>	<b>1234</b>	<b>1234</b>
Document Type/Tositelaji	Document Type/Tositelaji	Document Type/Tositelaji	Document Type/Tositelaji	Document Type/Tositelaji
	<b>AR Doc Types</b>	<b>SR</b>		<b>DN, DS, DD, D4,..</b>
Document Title/ Asiakirjan nimi	Document Title/ Asiakirjan nimi	Document Title/ Asiakirjan nimi	Document Title/ Asiakirjan nimi	Document Title/ Asiakirjan nimi
<b>AR Intercompany Matching</b>	<b>Gaps in Document Nr. Assignment</b>	<b>Recurring Entries</b>	<b>Payment Requests</b>	<b>Manual Documents</b>
Bank statement numbers/ Tositenumerot	Bank statement numbers/ Tositenumerot	Bank statement numbers/ Tositenumerot	Bank statement numbers/ Tositenumerot	Bank statement numbers/ Tositenumerot
Period/aika	Period/aika	Period/aika	Period/aika	Period/aika
<b>01.01. - 31.12.2010</b>	<b>01.01. - 31.12.2010</b>	<b>01.01. - 31.12.2010</b>	<b>01.01. - 31.12.2010</b>	<b>01.01. - 31.12.2010</b>
Filing code/arkistointitunnus	Filing code/arkistointitunnus	Filing code/arkistointitunnus	Filing code/arkistointitunnus	Filing code/arkistointitunnus
<b>B01.04.02.02</b>		<b>B01.01.04.SR</b>		
Retention time/Säilytysaika	Retention time/Säilytysaika	Retention time/Säilytysaika	Retention time/Säilytysaika	Retention time/Säilytysaika
<b>6 years</b>	<b>6 years</b>	<b>6 years</b>	<b>6 years</b>	<b>6 years</b>
Due for destruction/Hävitys vuosi	Due for destruction/Hävitys vuosi	Due for destruction/Hävitys vuosi	Due for destruction/Hävitys vuosi	Due for destruction/Hävitys vuosi
<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>

for cc2017 fill in the correct country	*no need to mention all documents types that are checked *for cc2017 fill in the correct country	for cc2017 fill in the correct country	<b>NOTE: No need to file payment requests, as long as emails are kept in arce.fs inbox!</b>	<b>NOTE: Add attachments to all manual documents to SAP --&gt; no need to print out and file!</b>
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***Appendix 4 Electronic Archiving Job-aid***

This guideline on the archival of electronic reports in SAP contains confidential information and has therefore been removed from the public version of the final thesis on the commissioner's request.