Terminal Digit filing is an arrangement of numeric files that groups together all file numbers that end in the same last two digits. Although file numbers are assigned in straight numeric sequence, location is determined by reading them in reverse order (right to left) in groups of two digits. The filing area is divided into 100 equal sections marked 00-99.

Example: To find file number 17234, first go to section 34, then the area with 72, file 1.

The biggest disadvantage of terminal digit filing is the filing room personnel's fear of learning the system. This is a new way of looking at a number and can be confusing, but once learned is quick and easy. Advantages include ease of locating misplaced files due to colors, and difficulty for unauthorized people to access the files.