
Document Retention / Destruction

Presented by Barbara E. Nye, CRM



Lorman Education Service Seminar - February 15, 2005

Presentation Overview



- ◆ Part 1
 - What is Records Management?
 - Why is Records Management necessary?
 - What is a record?
 - How do I design an effective RMP?
 - Your Questions Answered

Presentation Overview (2)



◆ Part 2

- What is records retention?
- What is the records life cycle?
- What is records disposition?
- What is the current environment for Records Management?
- How do professional ethics affect Records Management?
- What have we learned?
- Your Questions Answered

What is Records Management?



- ◆ Records Management Defined
 - Applying systematic controls to recorded information
 - Controlling organizational information throughout record life cycle
 - Key to successful management of information assets
 - Key business function within the organization
 - Internal consultant

What is Records Management?



- ◆ Five basic principles
 - Identify records to be managed
 - Manage records based on life cycle
 - Schedule records for maintenance and disposition
 - Move inactive records to low-cost storage
 - Disposition records in the normal course of business

What is Records Management? (2)



- ◆ RMP Components
 - Records Retention Schedule
 - Active Records Management
 - Inactive Records Management
 - Vital Records Management
 - Historical (Archives) Records Management
 - Program Compliance
 - Forms / Reports Management
 - Litigation Support
 - Document Control

What is Records Management? (3)



- ◆ RMP Tools / Resources
 - Records Centers
 - Filing Equipment
 - Filing / Classification Systems / Color coding
 - Bar-code technology / tracking/ circulation
 - E-forms
 - Imaging / Micrographics
 - EDMS
 - Enterprise Content Management
 - Web sites

◆ Standards

- ISO 15489-2001 Parts 1 and 2
- DoD 5015.2
- MoReq
- ISO 9000: Quality Assurance documentation
- ISO14000: Environmental documentation
- NFPA 252 "Protection of Records"
- ANSI/ARMA TR-01 "Records Center Operations"

Why is Records Management Necessary?



◆ Records Management Purpose

- Support the organization mission and operations
- Establish accountability of the organization
- Ensure compliance with applicable regulations
- Reduce costs
- Avoid costs
- Limit liability
- Increase productivity

Why is Records Management Necessary?



- ◆ Records Management Purpose
 - Improved access to information
 - Control growth of records storage
 - Improve customer service
 - Industry best practice
 - ISO 15489
 - ISO 9000

It's not just a good idea....



- ◆ *...it's the law!*
 - Federal law
 - Fair Labor Standards Act
 - OSHA
 - IRS
 - State Law
 - Wage and Hour Laws
 - Cal-EPA
 - Local Law
 - SCAQMD
 - Fire, Health and Safety

What Is A Record? (1)



◆ Records Defined

- Contemporaneous evidence of a business transaction / decision
- Information created, received and maintained as evidence and information by an organization or person, in pursuance of legal obligation or in the transaction of business
- Multiple formats:
 - Paper
 - Photographic (microfilm, motion pictures, photos)
 - Electronic (audio / video tape)
 - Physical Samples

What Is A Record? (2)

- ◆ ISO 15489 characteristics
- ◆ A complete record includes:
 - Content
 - Context
 - Structure
 - Presentation
 - Behavior

What Is A Record? (3)

- ◆ A complete record is:
 - Trustworthy
 - Accurate
 - Authentic
 - Useable
 - Complete / Unaltered

- ◆ Defined:
 - Records that contain machine-readable information and require machine translation
 - Same principles apply
 - Different methods required

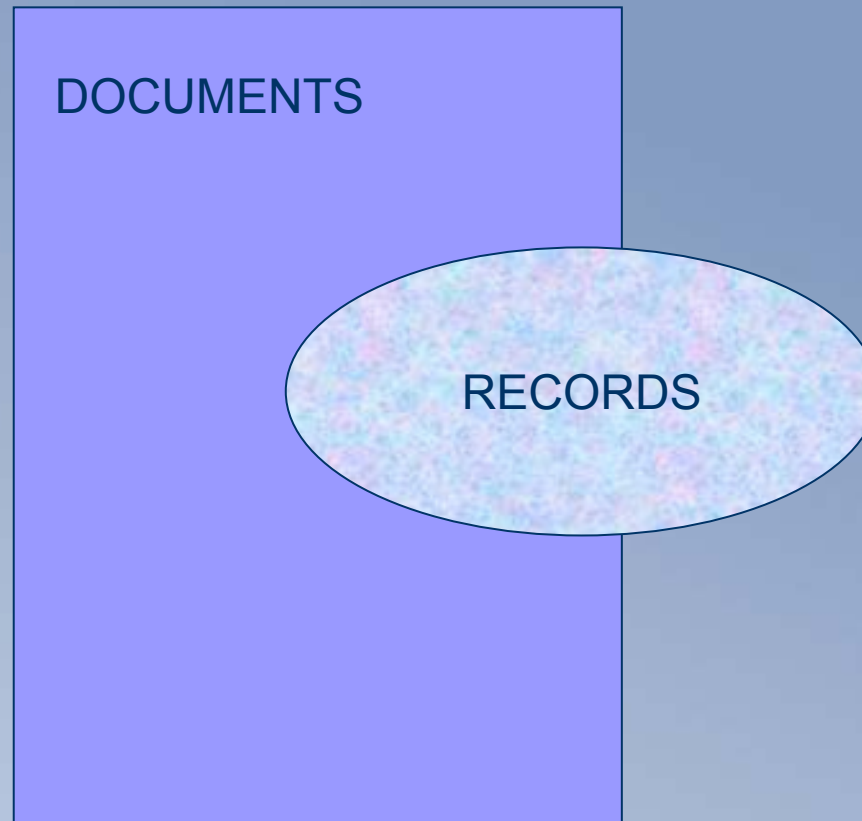
Legally Acceptable Records



- ◆ Made at or near time of event recorded
- ◆ By a person with knowledge of the event
- ◆ In the course of regularly conducted business
- ◆ As a regular business practice
- ◆ Records must fulfill the criteria as shown by competent witness (records custodian)

Records v. Documents

- ◆ Compare:



◆ Non-Records

- Extra copies of publications; “stock” or “supplies”
- Phone messages that document a missed call
- Reference materials
- Work in progress / preliminary drafts
- Catalogs, trade journals
- Incorrect version of documents
- Meeting notices

- ◆ Personal records v. corporate records
 - Ownership based on content / purpose
 - Evidence of business activity
 - Evidence of personal activity
 - Discoverability issues

Official / Duplicate Records



- ◆ Official records v. duplicate records
 - Official version is expression of organization
 - Relied upon in decision making and providing evidence
 - Duplicate version is convenience only
 - Annotated duplicate becomes new version of the official record

Record Storage Media



- ◆ Record Storage Media
 - Hardcopy / Paper
 - Photographic
 - Electronic
 - Physical samples / objects
- ◆ Record Storage Media (format) does not affect status as a record
- ◆ Hybrid environment

Declaring / Classifying Records



- ◆ Declaring
 - Draft (work-in-progress) must be “issued” or “rendered”
 - Establish process for each type of record
 - Declaration includes meta-data
- ◆ Classify
 - Place into appropriate category / series
 - Ensures maintenance and disposition
 - Supports retrieval and use

How Do I Design an Effective RMP? (1)



- ◆ Designing an effective Records Management Program
 - Develop strategy
 - Develop documentation
 - Complete inventory
 - Prepare RRS
 - Implement Active Records Management
 - Implement Inactive Records Management

How Do I Design an Effective RMP? (2)



- ◆ Designing an effective Records Management Program
 - Protect Vital Records
 - Protect Historical (Archival) Records
 - Develop Records Compliance
 - Train Staff

◆ RM Strategy

- Establish RM Executive Committee
- Determine scope of RMP
- Analyze existing documentation
- Analyze business functions
- Determine priorities for developing resources
- Obtain resources externally / internally?
- Determine resource requirements (budget, staff, schedule)
- Obtain approval
- Initiate RMP development project

- ◆ Records Management Policy
 - Statement of intent
- ◆ Records Management Procedure
 - Description of roles and responsibilities
- ◆ Records Management Practices
 - Detailed instructions for records management activities

Records Inventory / Survey



- ◆ Establish Scope
- ◆ Establish Priorities
- ◆ Determine Approach
- ◆ Conduct Inventory
- ◆ Conduct Interviews
- ◆ Analyze Results
- ◆ Prepare RRS

Retention Schedule Development (1)



◆ Retention Schedule Definition

Policy defining scope of records to be managed and approach to managing; foundation of RMP

■ Components:

- Records series name
- Definition
- Retention Period
- Characteristics
- Ownership

RRS (Text-based)



- ◆ (1) **Annual Reports** Series provides a record of the primary functional activities and accomplishments of the museum and historical society for the previous year. Reports may include narratives, statistics; graphs; diagrams; member lists; descriptions of programs; events and exhibits; and annual financial statements. (Retention: permanent.)
- ◆ (2) **Board Member Personnel Records** Series documents the appointment or election and subsequent personnel actions for board members. Records may include appointment letters, resumes, applications, personnel action forms, job descriptions, and employee data sheets. (Retention: 10 years after final term expires.)
- ◆ (3) **Board of Director's Records** Series documents the activities and decisions of the board responsible for governing museum and historical society operations or for advising its operations. Records may include minutes, agendas, tape recordings, and Board Committee records. Records may also include constitution and by-laws, intergovernmental agreements, organization charts, draft and approved budgets. (Retention: (a) Minutes, agendas, constitution and by-laws, policy records, approved budgets, and organization charts: permanent; (b) Audio recordings: 1 year after transcribed; (c) All other records: 5 years.)

RRS Sample (Table format)



Retention Period Event Codes:		<i>Note: All retention periods are listed in years, or as events, in addition to the current year. Retention periods apply to all record storage media.</i>			Characteristics:				
AR - Annual Review	EX - Expired	RV - Revised	SU- Superseded	V - Vital					
AU - After Audit	LI - Life	SA - Sale, Disposition	TE - Termination	H - Historical					
CL - Closed, Completed	PE - Permanent	ST - Settlement		C - Confidential					
Item No.	Records Series	Records Series Definition	Office of Record	Duplicate Retention	Official Retention	Citation / Authority	V	H	C
1	Accounts Payable Records	Records that serve as the basis for payment of bills, including copies of bills paid, checks, invoices, purchase orders, receiving reports, and vendor correspondence.	Accounting	1	6	Administrative Decision			
2	Agreements and Contracts	Records that document some form of agreement that is enforceable by law between the organization and other parties, including joint venture agreements, memoranda of understanding, franchise agreements, lease agreements, professional services agreements.	Legal	EX	EX+6	CA CCP 337	x		
3	Budget - Final Adopted	Final financial plan for the budget period established by the organization as approved by the governing body for the allocation of all expenditures.	Finance	SU	LI		x	x	
4	Expense Records	Records maintained to document travel, mileage, claims for reimbursement and other expenses of municipal officials while on organization business, including requests, authorizations, and reimbursements.	Accounting	1	AU				

RM Program Benefits



- ◆ Ensuring availability
- ◆ Ensuring compliance
- ◆ Reducing labor requirements
- ◆ Preventing arbitrary destruction
- ◆ Preventing unwarranted retention
- ◆ Minimizing storage requirements
- ◆ Releasing storage equipment
- ◆ Using offsite storage appropriately
- ◆ Identifying historical records

Retention Schedule Development (2)



- ◆ RRS Types
 - Departmental (Detailed)
 - Functional
 - Hybrid
 - Text format
 - Table format

- ◆ Legal Research
- ◆ Operating retention requirements
- ◆ Legal retention requirements
- ◆ Statute of Limitations
- ◆ Legal Considerations
- ◆ Legal Requirements

Active Records Management (1)



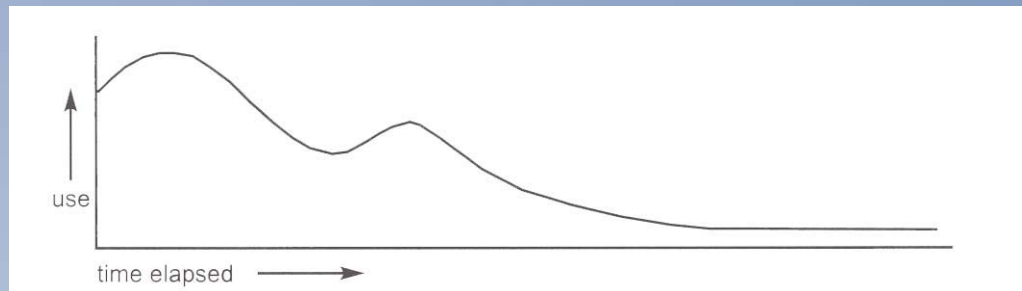
- ◆ Filing Systems (color coding)
- ◆ Circulation Control (bar coding)
- ◆ Imaging / Micrographics
- ◆ EDMS
- ◆ Document Control

Active Records Management (2)



- ◆ Active Record Definition
 - A frequently consulted record that is readily available, providing quick access to information to support business
- ◆ Paper-based concept
- ◆ On-site retention
- ◆ Short-term retention
- ◆ Focus on organizing records
- ◆ Centralized v. decentralized

Records Usage



Active Records Management (3)



- ◆ Filing: physical arrangement of related records
 - Subject Hierarchical
 - Geographic
 - Alphabetic
 - Numeric
 - Chronological
 - Phonetic

Active Records Management (4)



- ◆ Index: list of descriptive terms with pointers
 - Name
 - Date
 - ID Number
 - Subject
 - Geographic area
 - Product

Active Records Management (5)



- ◆ Equipment / Supplies
 - Cabinets (paper and media storage)
 - Shelves
 - Folders
 - Labels
 - Color-coding / Bar-coding
 - High-density movable shelving
 - Electronic storage (online, offline)

Inactive Records Management (1)



- ◆ Inactive Record Definition
 - Infrequently consulted record, retained for legal, operating or scholarly research purposes
- ◆ Cost-effective reliable storage for long-term retention
- ◆ Anticipated future (but infrequent) reference

Inactive Records Management (2)



- ◆ Records Transfer / Retrieval
- ◆ Records Centers
 - Specially designed warehouse
 - In-house facility
 - Commercial facility
 - Custody only, not ownership
- ◆ Inventory Control

Inactive Records Management (3)



- ◆ Microfilming
 - Cost-effective for very long-term storage
 - Vital records protection
 - Stable medium
 - Legally acceptable
 - Minimal system dependence

Vital Records Management (1)



- ◆ Protecting vital records
- ◆ Vital records defined
 - Indispensable to mission-critical operations
 - Essential for the survival of the organization if a major disaster occurs
 - Recreate legal and financial status
 - Determine organization's rights and its obligations to employees, customers, stockholder or citizens

Vital Records Management (2)



After a disaster (on average):

- ◆ 40% do not survive 1 year
- ◆ 43% do not re-open for business
- ◆ 20% close within 2 years
- ◆ 15% have vital records programs that work

Vital Records Management (3)



- ◆ Examples:
 - Articles of formation / incorporation
 - Accounts receivable
 - Property ownership documentation
 - Meeting Minutes of governing body
 - Contracts
 - Payroll
 - General Ledger
 - Tax returns
 - Insurance Policies

Historical Records Management (1)



- ◆ Protecting historical /archival records
- ◆ Defined
 - Records documenting significant accomplishments / milestones
- ◆ Archives take custody and ownership of historical records

Historical Records Management (2)



- ◆ Examples:
 - Formation documents
 - Ephemera (intrinsic value)
 - Strategic plans
 - Major capital projects
 - Executive correspondence
 - Merger and acquisition records
 - Newsletters

Historical Records Management (3)



- ◆ Preservation factors
 - Environmental
 - Sunlight
 - Temperature
 - Humidity
 - Mold
 - Dust
 - Vermin

Records Program Compliance



- ◆ Definition
 - Periodic assessment of the level of compliance with RMP requirements
- ◆ Annual compliance review
- ◆ Checklist
- ◆ Internal audit function
- ◆ Corrective action
- ◆ Identify improvements to RMP

Records Management Training



- ◆ Records Manager trains departmental Records Coordinators
- ◆ RRS Implementation / Maintenance
- ◆ Appraisal
- ◆ Filing Systems
- ◆ Records Transfer
- ◆ Legal Holds
- ◆ Records Destruction

Your Questions Answered (part 1)



What is Records Retention?

- ◆ Records Retention Defined
 - Time period record maintained
 - Event-based
 - Duration-based
 - Retention suspension
 - Planned, documented, consistent
 - No “ad hoc” retention decisions

- ◆ RMP provide credibility during litigation
 - Memories fade, records do not
 - “The faintest ink is better than the strongest memory”

Retention Period Considerations



- ◆ Business (operating) requirements
 - Most retention periods
- ◆ Legal Requirements
 - Federal, state and local statutes and regulations apply
 - Law is sometimes specific:
 - "Retain OSHA Form 100 for 4 years"
 - Law is often vague:
 - "Retain records that are material to IRS audit"
 - No turnkey retention schedules

Records to be Retained (partial list)



- Accounting
- Tax
- Recruiting / Hiring / Dismissal
- Payroll
- Safety
- Employee Benefits
- Environmental Compliance
- Formation / Organization
- Procurement

Records to be Retained (partial list)



- General Corporate records (formation, dissolution, bylaws, M&A)
- SEC
- OSHA
- ERISA
- INS / Immigration
- Wage and Hour
- Intellectual Property

Select appropriate storage medium

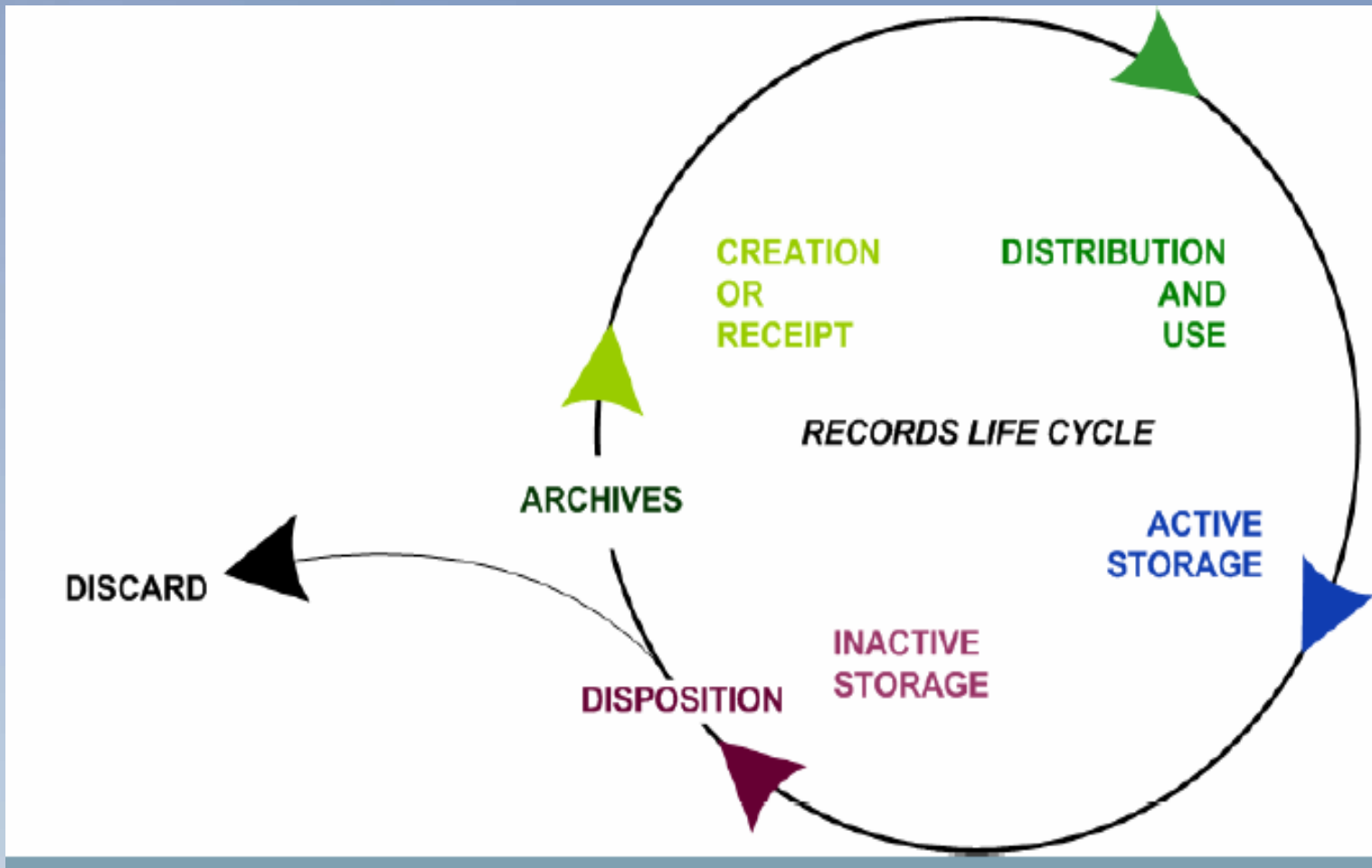


- ◆ Consider
 - Length of retention
 - Initial format
 - Distribution
 - Retrieval
 - Longevity of storage medium

What is the Records Life Cycle?

- ◆ Records Life Cycle v. Records Continuum
- ◆ Life Cycle
 - Records creation – use – disposition
- ◆ Continuum
 - Records creation – use – re-use

Record Life Cycle



What is Records Disposition? (1)

- ◆ Records Destruction
- ◆ Perpetual Maintenance
- ◆ Records Destruction Defined
 - Safe, confidential and complete destruction of storage medium and content

Electronic Records Storage Costs



- ◆ 1966 – 1 bit chip costs \$8,192*
- ◆ 1976 – 16 KB chip costs \$1,024
- ◆ 1985 – 1 MB chip costs \$512
- ◆ 1997 – 256 MB chip costs \$128
- ◆ 2006 – 16 GB chip costs \$64

What is Records Disposition? (2)



- ◆ Protect privacy
- ◆ Ensure consistent approach
- ◆ Document destruction activities (certificates)

What is Records Disposition? (3)

- ◆ Policy and procedures
- ◆ Privacy and confidentiality
- ◆ Consistency and documentation
- ◆ Retention Suspension (“Legal Hold”)

What is Records Disposition? (3)

- ◆ Long-term Preservation
 - Appropriate format
 - Archival description
 - Collection processing
 - Controlled access
 - Environmental controls
 - Research facility

What is the Current Environment?



- ◆ Change – Rapid and Constant
- ◆ Legislation
- ◆ Standards
- ◆ Technology
- ◆ Cultural – records in the news

What is the Current Environment? (2)



- ◆ Legislation (partial list)
 - Transparency:
 - Sarbanes-Oxley
 - Confidentiality:
 - HIPAA
 - Gramm-Leach-Bliley
 - Efficiency / Legal Status:
 - GPEA
 - E-SIGN
 - UETA

What is the Current Environment? (3)



- ◆ Standards
 - ISO 15489
 - DoD 5015.2
 - MoReq
 - NFPA 252
 - ANSI / AIIM / ARMA

What is the Current Environment? (4)



- ◆ Technology (partial list)
 - Email
 - Instant messaging
 - Web sites
 - Content management
 - Electronic Document Management Systems
 - PDAs
 - Electronic Notebooks

Electronic Records – Challenges (1)



- ◆ Volume: 35 billion emails / day
- ◆ Limited control
- ◆ Lack of systematic indexing / classification
- ◆ Ease of duplication
- ◆ Ease of distribution
- ◆ Instant change / update

Electronic Records – Challenges (2)



- ◆ Continuous software / hardware migration
- ◆ Information processing systems (ERP) are not recordkeeping systems
- ◆ Document management systems are not recordkeeping systems

Electronic Records – Challenges (3)



◆ EDMS

- Ineffective classification
- Ineffective indexing
- Backup is not retention
- No functionality for destruction
- No functionality for legal hold

Electronic Records – Challenges (4)



- ◆ Storage tapes are duplicated without destruction process based on content
- ◆ Portable computer devices information not managed

What is the Current Environment? (5)



- ◆ Cultural – records in the news
 - Enron / Arthur Anderson
 - World Com
 - Microsoft email records
- ◆ Information Access
 - FOIA

Intro to Ethics



- ◆ Framework for making sound decisions
- ◆ Defines right and wrong behavior
- ◆ Accountability

Records Management Ethics (1)



◆ Social Principles

- Support free flow of information / oppose censorship
- Support creation, maintenance and use of accurate information
- Condemn unethical or immoral use or concealment of information
- Promote right to privacy
- Support compliance

Records Management Ethics (2)



- ◆ Professional Principles
 - Pursue education
 - Represent education accurately
 - Provide high level of professional competence
 - Inform employer of illegal or unethical situations
 - Avoid personal interest / improper gain

Records Management Ethics (3)



- ◆ Professional Principles
 - Maintain confidentiality
 - Enrich profession
 - Commit to recruiting new records managers

Records Management Ethics (4)



- ◆ Responsibilities to
 - Employers
 - Staff
 - Shareholders
 - Citizens
 - Customers
- ◆ Custodial / Trust Aspects of RM

What Have We Learned?



- ◆ Summary
 - Defined records
 - Defined Records Management
 - Defined Retention
 - Defined Destruction
 - Described Electronic Records Challenges
 - Discussed Records Management Ethics

Your Questions Answered (part 2)



Document Retention / Destruction

www.ictus.com
bnye@ictus.com



207 Library Hall
50 West Dayton Street
Pasadena, CA 91105
(626) 795-7117