

The Guide to RECORDS MANAGEMENT

Portfolio Summary

| Prior Value | Period Change | % Change | Estimated Income | Estimated Yield |
|--------------------|-------------------|-------------|-------------------|-----------------|
| \$ - | \$ - | - | \$ - | - |
| 2,208.02 | (2,081.20) | (94.3)% | - | 0.05% |
| - | - | - | - | - |
| 59,654.71 | 5,728.32 | 9.6% | 1,389.03 | 2.1% |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| - | - | - | - | - |
| \$61,862.73 | \$3,647.12 | 5.9% | \$1,389.03 | 2.1% |

Income & Expense Summary

| | Reportable | Non Reportable | YTD |
|----------------|----------------|----------------|-------------------|
| Income | | | |
| Dividends | \$47.78 | \$ - | \$1,094.14 |
| Interest | - | - | - |
| Other | - | 52.50 | 210.00 |
| Expense | | | |
| Interest | - | - | - |
| Fees | - | - | - |
| Other | - | - | (7.21) |
| Net | \$47.78 | \$52.50 | \$1,296.93 |

Performance Summary

| | |
|--|--------------------|
| Cost Basis | \$36,027.79 |
| Unrealized Gains | 1,919.16 |
| Unrealized Losses | (6,589.22) |
| Funds Deposited/(Disbursed) ^{YTD} | 2,500.00 |
| Income/(Expense) ^{YTD} | 1,296.93 |
| Securities Received/(Delivered) ^{YTD} | 0.00 |

Cutoff Instruction

| | |
|-------|-----------------------|
| Name | Cutoff at end of year |
| Type | Time |
| Cycle | CY (Calendar Yearly) |

Retention Schedule

| | |
|---------------|-----------------------|
| Name | Destroy after 5 years |
| Type | Destroy |
| Retain for | 5 year(s), 0 month(s) |
| Keep metadata | Yes |

Vital Records

| | |
|------------------|----------------------|
| Review cycle | CY (Calendar Yearly) |
| Next review date | 1/1/2015 |

Review

WHAT'S
INSIDE?

What records are
and which records
need to be kept

Difference between
records management and
document management

+
PLUS much,
much more!



2

Introduction

Over the last ten years, privacy, data protection and identity theft have become issues of concern for all organizations. At the same time, new compliance regulations and statutes have raised pressure on organizations to implement structured and standardized records management programs.

Taking a systematic approach to records management:



Enables more informed decision making, by making information readily available.



Helps deliver services in a consistent and equitable manner.



Facilitates effective performance of activities throughout an organization.



Protects the rights of the organization, its employees and its customers.



Meets statutory and regulatory requirements including archival, audit and oversight activities.



Protects records from inappropriate and unauthorized access.



Allows quicker retrieval of documents and information from files.



Supports and documents historical and other research.



Frees up office space for other purposes by moving inactive records to storage facilities.



Provides continuity in the event of a disaster.



Provides protection and support in litigation.



Provides better documentation more efficiently.



Improves office efficiency and productivity.



What Is a Record?

4

Records consist of information created, received and maintained as evidence of business activities. The International Council on Archives (ICA) defines a record as “recorded information produced or received in the initiation, conduct or completion of an institutional or individual activity and that comprises content, context and structure sufficient to provide evidence of the activity. While the definition of a record is often identified strongly with a document, a record can be either a tangible object or digital information which has value to an organization.”

The Federal Records Act (44 USC 3301) indicates that records include “all books, papers, maps, photographs, machine readable materials, or other documentary materials, regardless of physical form or characteristics, made or received by an agency of the United States Government under Federal law or in connection with the transaction of public business and preserved or appropriate for preservation by that agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations or other activities of the Government or because of the informational value of data in them.”

How to identify a record

If you answer “yes” to any of these questions, you may have a record:

- Was it created in the course of business?
e.g. correspondence, agreements, studies
- Was it received for action?
e.g. FOIA requests, controlled correspondence
- Does it document organizational activities and actions?
e.g. calendars, meeting minutes, project reports
- Is it mandated by statute or regulation?
e.g. administrative records, legal/financial records, dockets
- Does it support financial obligations or legal claims?
e.g. contracts, grants, litigation case files
- Does it communicate organizational requirements?
e.g. guidance documents, policies, procedures

If you answer “yes” to any of these questions, you may have a non-record:

- Is it reference material?
e.g. vendor catalogs, phone books, technical journals
- Is it a convenience copy?
e.g. duplicate copies of correspondence, memos or directives
- Is it a stock copy?
e.g. organizational publications or forms
- Is it a draft or working paper?
e.g. draft with no substantive comments, rough notes, calculations

Note: some drafts are needed to support a decision trail or are required by a records schedule.

If you answer “yes” to this question, you may have a personal paper:

- Is it only related to your own affairs?
e.g. soccer schedule, PTA roster

Note: personal planners and calendars may actually be records if they document your organizational activities.



6

What Records Must Be Kept?

To identify which records your organization must keep, it is important to consider four issues.

1

What does your organization do that needs to be documented? What types of records are created in your organization? What are your mission-critical records? What records document decisions or are part of your work process? What records are you required to keep by the regulatory bodies that have oversight over your organization?

Examples might include permit files, project files, reports, publications, time cards, personnel files, contact files and so on.

2

Look at each type of record and decide why it is created and maintained.

You may be required to create and maintain records for a number of valid reasons, including program administration, management reporting, federal or state statute, federal regulation, or organizational policy or procedures.

3

You may find that many of the series on the list for your office are working files, files maintained for convenience or reference materials.

Reference and personal convenience are valid reasons for keeping records, too. Frequently, the only justifications for maintaining files are personal ones, such as “I need the records for reference,” “Joe wanted me to keep a copy,” “Somebody may ask for it” and “I don’t trust anyone else to keep it.”

4

To determine which records must be kept, focus on the files that directly support your organization’s mission, corporate history or administration.

These are your corporate records, without which your organization could not function, and these are the ones you need to control

Identifying the list of corporate or mission-critical records is the most important and the most difficult step in the records management process. It takes a little time, but the benefits are great and it will allow you to manage your information assets much more effectively and efficiently.



8

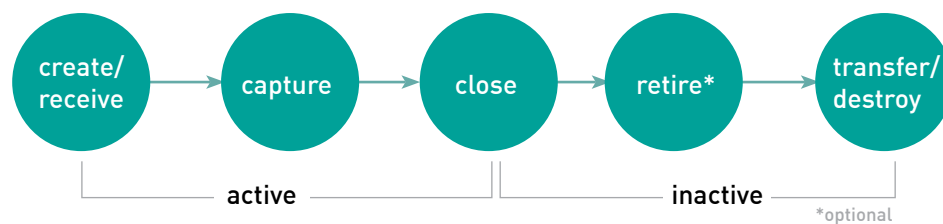
What Is Records Management?

Records management is a specialized branch of document management that deals with information serving as evidence of an organization's business activities. Records management includes a set of recognized practices related to the life cycle of that information, such as identifying, classifying, archiving, preserving and destroying records.

The ISO 15489: 2001 standard defines records management as “the field of management responsible for the efficient and systematic control of the creation, receipt, maintenance, use and disposition of records, including the processes for capturing and maintaining evidence of and information about business activities and transactions in the form of records.”

The fundamental concept behind records management is the idea that each record has a life cycle. “Life cycle” refers to the stages that every official business record must go through. After a record is created, it must be filed according to a defined, logical scheme into a managed repository where it will be available for retrieval by authorized users. When the information contained in records no longer has any immediate value, the record is removed from active accessibility. Depending on the nature of the record, it is either retained, transferred, archived or destroyed.

Records Lifecycle



The practice of records management involves the following activities:

- Creating, approving and enforcing records policies, including a classification system and a records retention policy.
- Developing a records storage plan, including the short- and long-term housing of physical records and digital information.
- Identifying existing and newly created records, classifying them and then storing them according to standard operating procedures.
- Coordinating access to and circulation of records within and outside the organization.
- Executing a retention policy to archive and destroy records according to operational needs, operating procedures, statutes and regulations.

The main tool used to manage the disposition of records is the records schedule. A records schedule is the official policy for records and information retention and disposal. The schedule provides mandatory instructions for what to do with records, as well as nonrecord materials, that are no longer needed for current business.

Other benefits of using a records schedule are:

- 1 Ensures that the important records are organized and maintained in such a way as to be easily retrieved and identifiable as evidence of your activities (especially in the event of an audit, a FOIA request or discovery for a lawsuit).
- 2 Conserves office space and equipment by using filing cabinets to house only active records.
- 3 Saves money by the regular transfer of inactive files to less costly storage areas for subsequent disposition.
- 4 Helps preserve those records that are valuable for historical or research purposes.
- 5 Stabilizes the growth of records in offices through systematic disposition of unneeded records.

A records series is the basic unit for organizing and controlling files. Series are file units or documents that are kept together because they relate to a particular subject or function, result from the same activity, document a specific type of transaction, take a particular physical form or have some other relationship arising out of their creation, receipt, maintenance or use.

The series concept is a flexible one, and your organization should be careful to create series by organizing documents in ways that facilitate management of the records throughout their life cycle.

Each record series should be located separately from all other records, and each record series must be covered by a records schedule.



11

Managing Digital Records

The general principals of records management apply to records in any format. Digital records, almost always referred to as electronic records, raise specific issues. It is more difficult to ensure that the content, context and structure of records is preserved and protected when the records do not have a physical existence.

Unlike physical records, electronic records cannot be managed without a computer. Functional requirements for computer systems used to manage electronic records have been produced by the Department of Defense (DoD). DoD Standard 5015.2 has become the de facto standard for records management software across a wide spectrum of industries.

DoD 5015.2 outlines the baseline functionality required for records management applications used by the U.S. Department of Defense and has been endorsed by the National Archives and Records Administration (NARA) as an “adequate and appropriate basis for addressing the basic challenges of managing records in the automated environment that increasingly characterizes the creation and use of records.” Records management applications that have been certified as DoD 5015.2 compliant provide the peace of mind that comes from objective, third-party evaluation.

While records management applications that have been certified as DoD 5015.2 compliant represent an objective, third-party evaluation, they do not guarantee regulatory compliance or records security.

Particular concerns exist about the ability to retain and still be able to access and read electronic records over time. Electronic records require appropriate combinations of software versions and operating systems to be accessed, and so are at risk because of the rate at which technological changes occur. A considerable amount of research is being undertaken to address this issue, under the heading of digital preservation.



How Is Records Management Different from Document Management?

While records management shares some features of document management, they are two different disciplines. Organizations need to have an integrated approach that addresses both document management and records management. Understanding how these terms differ will save you countless hours, money and the embarrassment of not coming close to your expectations—and it will also help you identify which of these expectations are unrealistic.

Generally, digital document management focuses on:



Reducing lost and misfiled documents.



Providing faster search & retrieval of documents.



Helping to better organize existing documents.



Improving general work processes and organizational efficiency.



Reducing the amount of physical space used to store documents, such as file cabinets, boxes and shelving.

Records management includes the above, plus:



Identification of what records exist by records inventory.



Application of required retention periods to stored items.



Identification of the owner of each records series.



Determination that a chain of custody and a proper audit trail both exist.



Assistance in e-discovery issues and applying legal holds to records when needed.



Management of disposition (disposal of documents).



Development and administration of defined records policy and procedures, regardless of if the records are electronic or paper.



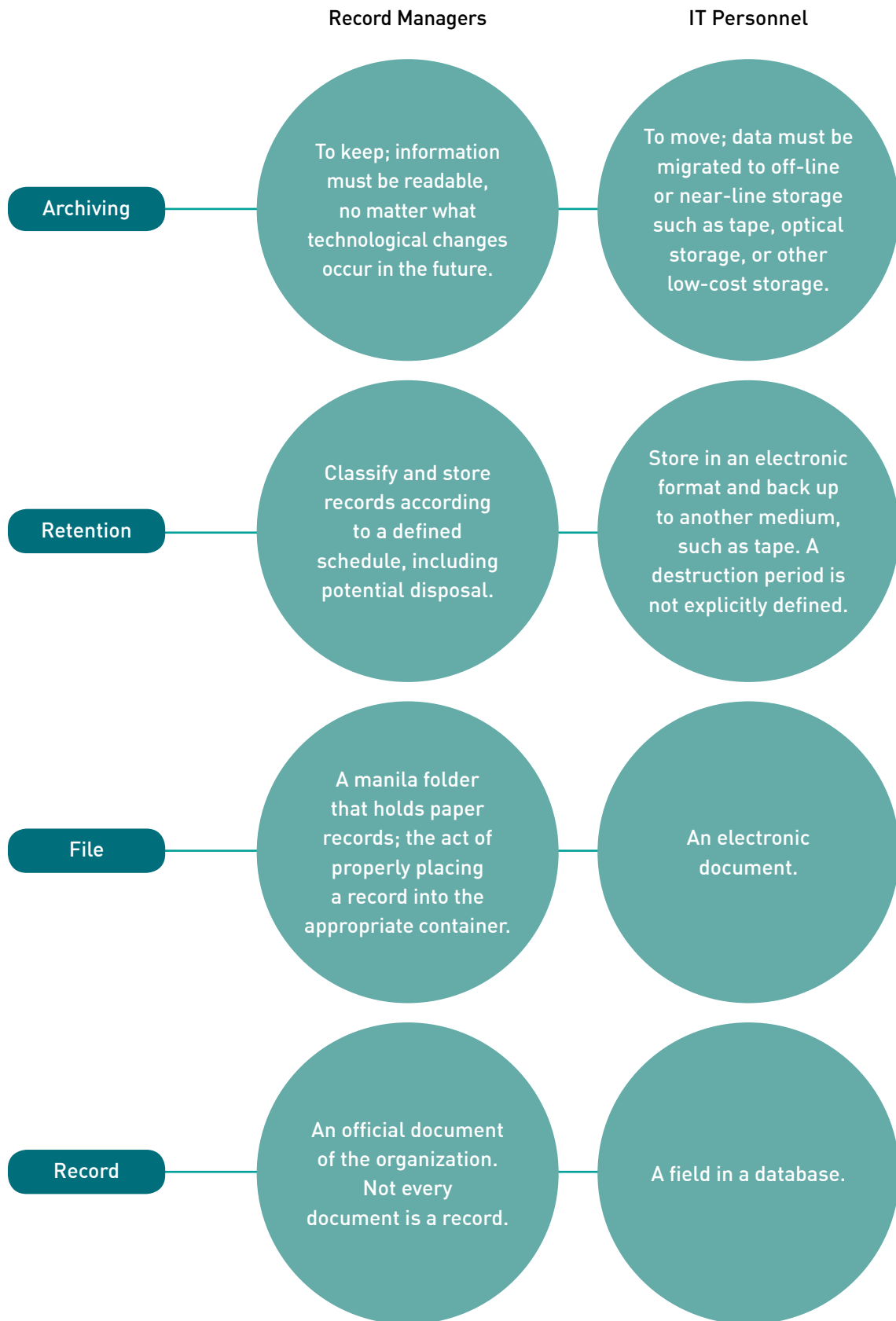
Preservation of records throughout their life cycle.

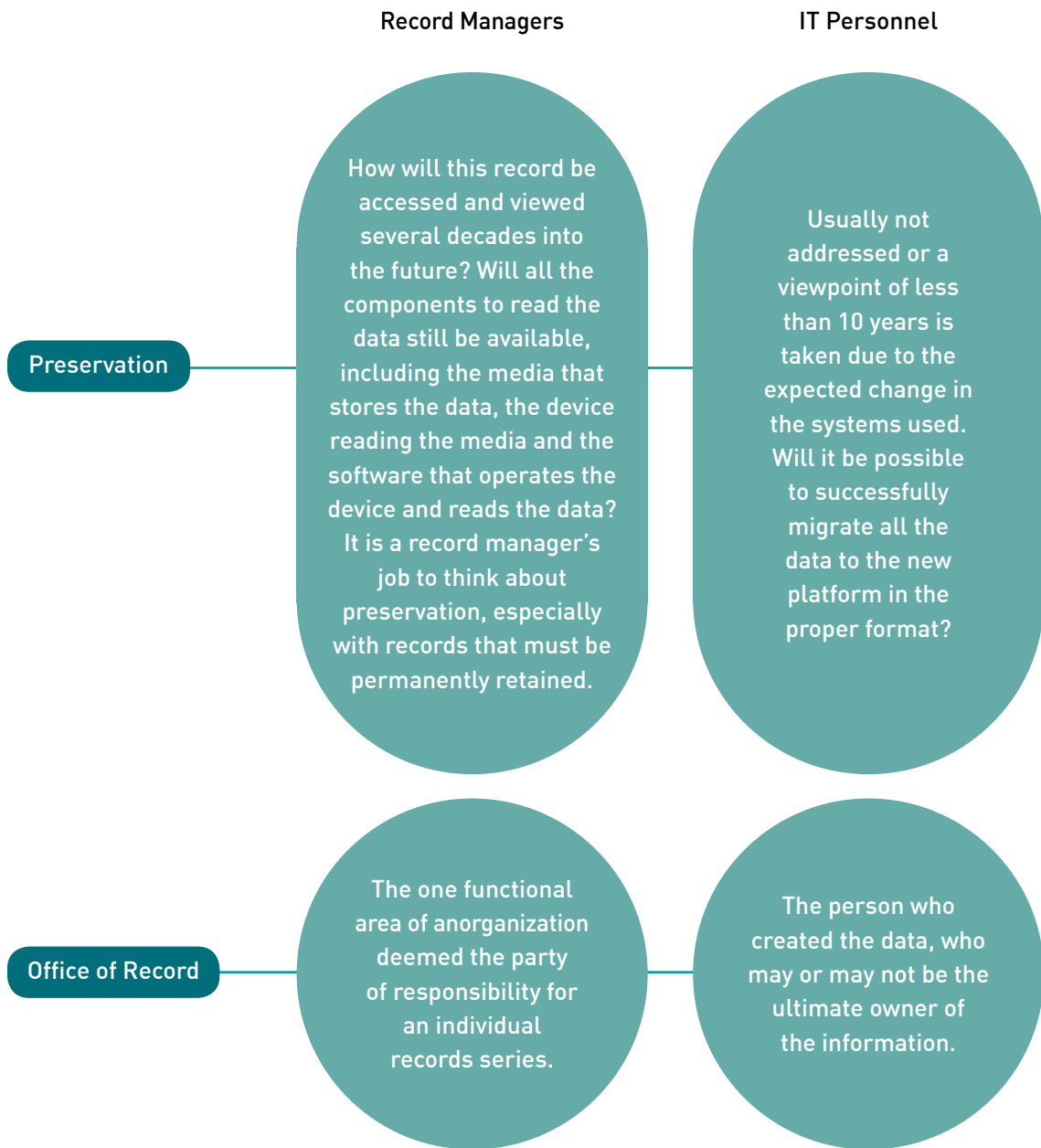


15

Understanding Records Management Terminology

Each of the following terms has a different meaning depending on whether IT personnel or records managers are using the term. How these two groups use these terms is so different that it can easily lead to misunderstanding and confusion.





Trying to reinforce the importance of records management with IT personnel is often difficult because they speak a different language than records managers. They, along with end users, may not have given much thought to records management in the past, so they may not see it as important or essential to business procedures.

Using the chart above, you should be able to address the concerns of both records managers and IT personnel to find an appropriate records management application.



18

What Does a Records Management Application Do?

Records management software is a computer program used to track and store records. This is different from imaging or document management systems that specialize in paper capture and document management, respectively.

Records management applications simplify the life cycle management of business records without interfering with your organization's line of business. A records management application supports the automatic enforcement of consistent, organization-wide records policies and reduces the cost of regulatory compliance. Records management applications must protect records from loss and tampering, while allowing the records manager and other decision makers access to necessary information.

Often, a records management application can help with the capture, classification and ongoing management of records throughout their life cycle. A records management application can be paper-based, like paper medical charts, or it can be digital.

Records management applications commonly provide specialized security and auditing functionalities tailored to the needs of records managers, including:

- Improved efficiency in the storage, retention and disposition of records and records series.
- Detailed reports of which records are eligible for transfer, accession or destruction.
- Audit trails to track all system activity and the entire life cycle of records.

Records management applications enable the application of systematic controls and policies concerning the life cycle of those records that detail an organization's business transactions. Records management applications should allow organizations to file records according to a determined scheme, to control the life cycle of records, to retrieve records based on partial information and to identify records that are due for final disposition.



Records series and metadata

A records management application must allow records to be refiled in different folders or series after their initial filing in order to meet DoD 5015.2 criteria. A records management application must also have a way to control the metadata fields associated with every record, record series and record folder. It must limit the entering of metadata to the time of filing, yet allow authorized users to edit and correct filing errors.

The Dublin Core metadata element set is a standard for cross-domain information resource description. It provides a simple and standardized set of conventions for describing things online in ways that make them easier to find. Dublin Core is widely used to describe digital materials such as video, sound, image, text, and composite media like web pages.

The Dublin Core Metadata Initiative (DCMI) Metadata Terms, available at <http://www.dublincore.org/documents/dcmi-terms/>, provides an abbreviated reference version of the fifteen element descriptions that have been formally endorsed by both ISO Standard 15836-2003 (February 2003) and NISO Standard Z39.85-2007 (May 2007):

| | | |
|----------------|----------------|--------------|
| 1. Title | 6. Contributor | 11. Source |
| 2. Creator | 7. Date | 12. Language |
| 3. Subject | 8. Type | 13. Relation |
| 4. Description | 9. Format | 14. Coverage |
| 5. Publisher | 10. Identifier | 15. Rights |

The DCMI has established standard ways to refine elements and encourage the use of encoding and vocabulary schemes. There is no prescribed order in Dublin Core for presenting or using the elements.

For more information on DCMI, visit www.dublincore.org.

Linking

The records management application must allow users to indicate related records through linking, a form of metadata that defines and establishes relationships between documents. Examples include supporting documents, superseded/successor records, multiple renditions and incremented versioning. A records management application should allow document links to be established by all users at the time of filing, but only authorized users should be able to create, modify or remove links post-filing.

Versioning

Versioning is a special document relationship used to indicate an auto-incremented sequence of revisions to a particular record. The records management application must allow users to establish record versioning. Versions must be retrievable as if they are independent documents and contain their own metadata. A records management application must clearly indicate if a record has multiple versions and which version is the most recent.

Security tags and audits

Security tags represent a metadata field intended to define and restrict access to records, as well as aid in their classification and retrieval. A records management application must allow the records manager to define security tags and allow users to assign tags to records upon filing. Only authorized users should be able to modify or remove security tags post-filing. The records management application must also support the audit of all filing, handling and disposition of records.

Vital records

Vital records—those records deemed essential in order for an organization to resume business operations immediately after a disaster—are subject to periodic review and update. A records management application must provide a way to assign a review cycle to vital records and detail when they were last reviewed. Examples of vital records include emergency operating records or legal and financial rights records. The records management application must also offer a way to retrieve all vital records, identify when they were last reviewed and indicate vital records due for review at any given moment.

Disposition and freezing

The records management application must handle two types of disposition action: interim transfers and final disposition. The available actions for final disposition are accession and destruction. The records management application must allow for the exportation of entire record folders and their metadata values for transfer and accession. Following the confirmation of successful transfer, the records management application should be able to maintain the records, maintain only the metadata or completely delete the records. The records management application should also be able to freeze a folder. When a folder is frozen, no record can be removed from the folder, and no record in the folder can be modified.



22

Transparent Records Management

Managing a compliant records management strategy while also meeting the unique content management requirements of individual departments can be difficult. Transparent records management is a flexible solution that satisfies the distinct needs of every business unit, maintaining an effective and compliant records environment for everyone.

Due to their job responsibilities, records managers are often forced to be more interested in the rules (e.g., published retention schedules) and less interested in the importance of records from a business perspective. They must also be less concerned with designing a repository layout that allows them to find records quickly and more concerned with designing a structure that logically satisfies the retention schedule.

In many cases, the layout of a formal records management file plan is related to the fact that different retention schedules apply to different types of documents (e.g., insurance records, tax documents, and employment applications). For example, a records manager might be required to organize human resource (HR) documents by type.

Unfortunately, this type of layout is cumbersome for general users. For example, a user who wants to print all HR documents for a specific employee might have to open more than a dozen different folders in different locations to search for that employee's documents.

Transparent records management is "transparent" because it enables general users to see through the cumbersome records management layout to the layout of their choice. Multiple views of the repository can be configured to allow records managers to monitor and act on records through one folder structure, while other users access a folder structure organized more logically for their needs.

Records managers work with actual records; for greater security, other users of the system only access shortcuts to them.

One of the greatest strengths of transparent records management functionality lies in the way it enables records managers to create a file plan and manage retention schedules without interfering with any department's line of business. This means that once the system is set up, users will not have to actively participate in the process while records managers will still have control over ultimate file indexing, archiving and disposition.



24

Choosing a Records Management Application

Records management systems require special considerations above and beyond a document management system.

Important Records Management Functionality



Support for custom searches based on record properties, retention or disposition properties.



Ability to provide detailed reports of which records are eligible for transfer, accession or deletion.



Audit trails to track all system activity.



Ability to manage the full life cycle of the record, from document creation through declaration as a record to final disposition.



Ability to save search results in a usable format, such as an Excel spreadsheet.



Legal considerations

Legally, records must be trustworthy, complete, accessible, admissible in court and durable for as long as the retention schedule requires. Records management applications are uniquely positioned to help records managers meet these requirements. Whereas paper files are vulnerable to fire, flood and theft, digitized files enjoy multiple layers of protection. Security features protect records from tampering or unauthorized release, while auditing functionality allows you to monitor the actions users take on a record. To assist in disaster recovery planning, records management software enables you to copy records to disc or other unalterable media for off-site storage. If an incident occurs, you can typically restore your archives in a matter of minutes, which allows you to access the critical information you need to respond effectively and to ensure organizational continuity.

Because web content plays a large role in service delivery, effective management of web records is also critical to mitigating risk. Using a records management application, you can take snapshots of your organization's website at regular intervals and retain these files according to a specified retention schedule. These records will prove highly useful in the event of a legal challenge, or if the original web content is compromised or lost.



26

Are Certifications Important When Selecting a Records Management System?

When selecting a records management system, there are two important certifications to consider: DoD 5015.2 and VERS.

What is DoD 5015.2?

Many organizations use DoD 5015.2-STD Electronic Records Management Software Applications Design Criteria Standard from the U.S. Department of Defense (DoD) as a starting point for evaluating records management systems.

The Joint Interoperability Test Command (JITC) certifies records management software solutions according to this standard. According to the JITC's Website, "The current version of DoD 5015.02-STD, signed 25 April 2007, defines the basic requirements based on operational, legislative and legal needs that must be met by records management application (RMA) products acquired by the Department of Defense (DoD) and its Components. It defines requirements for RMAs managing classified records and includes requirements to support the Freedom of Information Act (FOIA), Privacy Act, and interoperability."

Knowing a DoD-certified system has been tested against the DoD's rigorous standards provides reassurance to records managers at thousands of organizations across a wide variety of industries.

What is VERS?

VERS stands for Victorian Electronic Records Strategy. It is endorsed by the State Government of Victoria, Australia, and is accepted and used as the backbone of e-Governance by archival institutions around the world.

Whereas the DoD 5015.2 certification focuses on ensuring that records are properly organized and managed, VERS specifies a standard format for electronic records that focuses on data integrity and authentic archiving.

Why should you care?

Unless you work for the State Government of Victoria, Australia, or the United States Department of Defense or one of its components, you are not required to select a records management system that meets the specifications of either standard. However, the possible detrimental impact of non-compliance with recordkeeping requirements on organizational reputation and value highlights the importance of investing in a records management system that ensures an organization's information assets are safe and well-managed.

When you select a system that has achieved full compliance with both VERS and DoD 5015.2, it is guaranteed to provide a multi-faceted set of information governance tools that manage document lifecycle from initial capture to long-term archival. With the right processes in place, these tools will break down

information silos and make staff more productive while also ensuring that information is accessed in a prudent and compliant way.

Records management is vital to the success of your organization, and an electronic records management system that has been certified to meet stringent requirements for both organizing file structures and plans (DoD 5015.2) and reliably preserving data for years to come (VERS) will ensure that you have the best tools available for keeping your information assets organized, safe and secure.



29

Implement Electronic Records Management in Five Steps

By Kathy Jenisch, Records Manager, Kentucky Sanitation District #1

As the second largest public sewer utility in Kentucky, Sanitation District #1 (SD1) deals with a lot of records. Adopting an electronic records system helped SD1 streamline records management while maintaining compliance with the State of Kentucky's Local Government Retention Schedule. Here is the five-step process SD1 followed in implementing transparent records management.

1 Identify

The first step in implementing electronic records management is to identify your organization's problems, issues and pain points. Some of the problems, issues and pain points that SD1 identified were:

- Documents were difficult to find when needed (e.g. during an audit or for discovery in a lawsuit).
- Employees had to print and file their own documents and emails, and they didn't always remember to do it.
- It was difficult to follow the State of Kentucky's Local Government Retention Schedule, so files were kept much longer than necessary, taking up a lot of space.

2 Set goals

Once you've identified your organization's problems, pain points and issues, it is necessary to set goals for yourself and your staff. Some of the goals that SD1 set for this project included:

- Scan as many existing paper records as possible into your electronic records system.
- Automatically apply the appropriate retention schedule to all records.
- Make sure that SD1 is always in compliance with the State of Kentucky's Local Government Retention Schedule.

3 Make a plan

The first step in making a plan is enlisting the help of a champion. For many employees, the champion will be a direct supervisor. The champion can help obtain executive-level support for the project. In SD1's case, the project champion was SD1's general counsel.

Make sure to partner with the right people both inside and outside your organization, especially with the information technology (IT) department. It is crucial for the IT, legal and records departments to have a good relationship.

Once you've enlisted support from other members in the organization, it is time to outline, determine and finalize the retention schedule.

To simplify this process, I recommend using the big bucketing approach. Big bucketing consolidates record types related to the same business function or

process with similar requirements into bigger retention “buckets” or records series. Big bucketing gives employees fewer retention choices, helping them classify information more consistently, and ensures compliance. It also reduces risks associated with keeping records too long and maintaining and responding to records requests and e-discovery.

SD1 used big bucketing to revise the HR portion of the retention schedule by scaling down from a total of 25 retention periods to ten retention periods. For example, SD1 used to have 3, 5 and 7-year retention for tax documents but combined all documents into one record series using the maximum 7-year retention.

4 Get to work

Before implementing the retention schedule, learn the business processes. Even if your reseller will end up writing your organization’s workflows, someone will still need to explain your business processes to your reseller.

Educate employees and supervisors by putting written policies and procedures in place. Some of the policies SD1 has put in place include:

- Open records policy
- Disaster recovery policy
- Legal holds policy
- Retention policy

Before creating the retention schedule within your electronic records system, review it again to make sure it complies with the organization’s policies and any governing agencies’ policies and retention schedules. It is much easier to change the schedule before implementation than after.

Design the workflows that will manage the transparent records management part of the process.

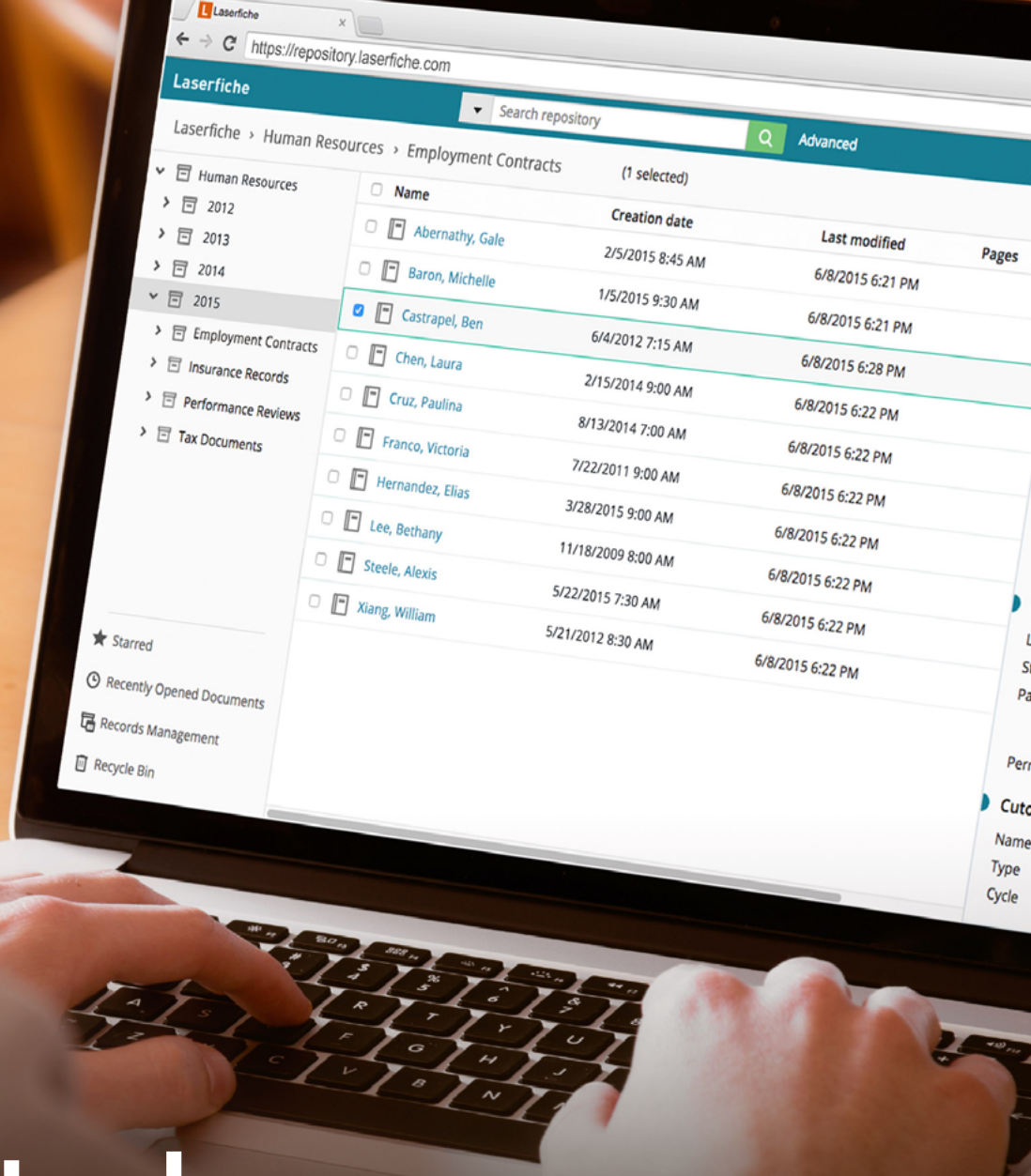
5 Stick to it

After transparent records management has been implemented, make sure to organize all of the organization's content within the brand new framework. Do not get discouraged.

Train employees on how to use the new system. Our software provider offers online training as well as in-person regional training. SD1 even chose to pay its reseller to provide on-site training for new users.

Choose a liaison and have that person be the middle man for the staff. At SD1, the departmental records coordinators (typically an administrative assistant) are our liaisons with the IT department. After the liaisons are trained on the policies and procedures by the System Administrator, they are then responsible for training everyone else in their respective departments and to act as the first point of contact for user questions.

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