

RETENTION SCHEDULING IN THE E-WORLD

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Today's Agenda

- Paper vs. Electronic: Differences and Concerns
- Overview of Retention Scheduling
- Advent of the Modern Records Retention Schedule (RRS)
- Design and Application of the Modern RRS
- RRS Maintenance and Change Management







Retention is More Than Paper!

- ▶ Archival media
- ▶ Data on desktops and laptops (Word, Excel, etc.)
- ▶ Data on PDAs (iPhone, Android, Win7, Blackberry)
- ▶ Data stored on file and mail servers (email, IMs, etc.)
- ▶ Databases
- ▶ Marketing collateral
- ▶ Voicemails
- ▶ Website / web pages
- ▶ Blogs and social media



Purpose of a RRS?

- What is a RRS?
- Why Have One for e-Information?
- Why is it the Cornerstone?



Answers

- Requirements Still Apply – Compliance
- Demonstrates Value of Information – Compliance & Litigation
- Demonstrates Reasonableness – Litigation
- Part of a Data Map – Asset Management
- Inventory of Vital Records for DRBC – Company Survival
- Improved Cost Effectiveness of Tools and Resources – Financial



Differences in Paper and Electronic Information!	Paper	Electronic
Can you see the document or hold it in your hand?	Yes	No; you will need a computer
Is it tangible?	Yes	No
Do you control the storage and indexing of the document?	Yes	No/Yes
Can more than one person use the document at a time?	Only if copied	Yes if shared
Difficulty of applying retention?	Easy	Moderate to hard
Need filing supplies?	Yes	No
How do you back up the information?	Make copies	Make copies
Do you control the copies?	Yes	No
Do you really know if you have the only copy?	No	No



Differences Mean Differences

Not a profound statement, but our approach to designing the rules must be different to match the “approach” in which they can be applied.



Drivers for RRS in the eWorld

Costs

- Obsolete information kept too long
- Discovery production of obsolete data
- More labor required to manage

Resources

- Differing systems, same information - Silos
- Same systems, no departmental connections
- Abandoned data still on production systems
- Unabated system growth from increased data

Risk

- Data not found due to poor or no indexing
- Lost data sources from departing employees
- Delayed decision-making due to “infoglut”



Using GARP®

Generally Accepted Recordkeeping Principles

ARMA understands that records must be created, organized, secured, maintained, and used in a way that effectively supports the activity of that organization.



Principle of Retention

- Records retention program based on information life cycle
- Retention periods determined by legal, fiscal, operational and historical requirements
- Retention decisions based on content and purpose of records
- Minimize risks and costs associated with records retention by disposing of records after their retention period expires



Advent of Modern RRS

1. Keep a whole work process or “thought” under one category
2. List the category one time – used by all
3. Fewer categories but more document examples
4. Understand access and usage requirements
5. Identify vital categories



Example of an RRS Line Item

039 Accounts Payable / Receivable	Examples	CY+3	Years				x	Finance
Records and information related to the accounting of monies paid and/or received by the company. Includes: payment for financial obligation, documenting bad debt, petty cash payment, vendor credit card information, paying of unemployment expenses, and employee expense reimbursement, money paid for fines or fees, cash payments received, settlements paid, services rendered, etc.	A/P Invoices and Vouchers Bad Debt Write-offs Billing Correspondence Cash Disbursement Checks Cost Accounting Records Credit Card Information Credit Card Slips / Statements Employee Expense Reports Legal Fees Outside Counsel Files Vendor Packets Payment Receipts Payments Receivables Replaced Lost Cards Receipts			US - 26 CFR 1.162-17 (MAIN) US - 26 CFR 301.6501 (CY+3)				



Design Style

- Simpler is Better
- Use Simple Business Terms
- Excel, Word or Special Software
- User Access and Understanding
- Appropriate Retention Periods
- Publishing and Training



Designing Retention Schedules





1. Don't try to be 100% complete the first time.
2. Don't wait for everyone to get on board.
3. Apply in phases.
4. Work on normal processes.
5. Treat exceptions as they come.

Designing the Template

Decide What Information You Want To Collect

Examples of Information You May Want to Collect

- Record owner
- Department
- Contact person
- Category of work/function
- Example of documents
- How long the department uses the information
- Formats



Company Name

Records Retention Schedule

Approval Date: Month __, Year
 Revision No:
 Revision Date:

Department: Finance Department

Business Group: Payroll

Contact Name:

Extension/email:

Company Info

RETENTION EVENT CODES:

AR Annual Review

FR Final Resolution

PC Project Completion

SU Until Superseded

TE Termination

CY Current Year

LJ Life (of company, program, asset)

PR Permanent

TA Tax Audit

ACT Active

Legend

Records Category		Retention Policy		Retention Information	
No.	Title/Description	Examples	Retention Period	Authority	Comments
001	Compensation Plans		CY + 2	29CFR1627.3a	
	<i>Records and information associated with compensation program administration.</i>	Bonus & Incentive Compensation Merit Increases Surveys Salary Range History			
002	Time and Attendance Records		CY + 3		
	<i>Records related to the reporting of hours worked. Includes time cards and time sheets submitted to payroll in order to document hours worked for a particular period, as well as vacation requests.</i>	Vacation Requests Time Off Requests Time Keeping Records			
003	State Unemployment Tax		CY + 6		
	<i>Records submitted to the state unemployment divisions. Contains employment and wage information for terminated employees who are requesting unemployment compensation.</i>	Separation and Wage Information Files Unemployment Records Unemployment Insurance Workpapers			
004	U.S. Federal and State Tax Withholding		CY + 6		
	<i>Records supporting the taxes paid, withheld, and reported. May also include rates of taxation.</i>	Federal Withholding Tax Returns Form 941 Quarterly Withholding Tax Returns Tax Reports			

SAMPLE

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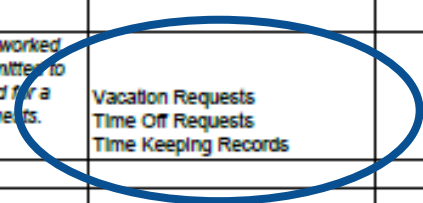
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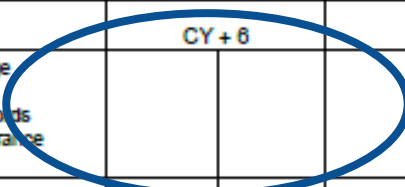
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Methods of Collecting Information

Methods of Collecting Information Include:

- The Interview
- Storyboarding
- Questionnaires/Surveys
- Inventories
- Data Inventories or Data Maps
- Screen Shots of Tree Structures



Inserting RRS Requirements

- Technology application design and development
- Department filing systems
- What about email – how do you decide if an email is a record?
- Databases
- Archiving paper and electronic records



Keeping it fresh

- RRS Review and Updates
- Frequency
- Approach
- Feedback
- Using Change Management

Beware!



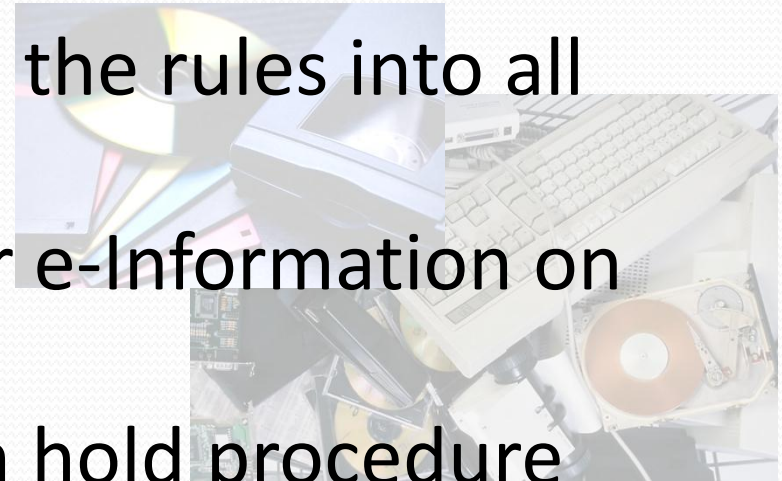
Change Management

- Define the purpose and process
- What will you change?
 - Time
 - Text
 - Format
- Change Request Form
- Authority
- Approval



Meeting Takeaways

- ▶ Understand the differences between paper and electronic information
- ▶ Create a modern, simple-to-use retention schedule
- ▶ Work with IT to design the rules into all systems
- ▶ Educate employees for e-Information on desktops
- ▶ Legal/audit disposition hold procedure



Thank you!

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