



Developing Legally Compliant Retention Schedules

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Current Governance Issues!

- SOX compliance
- US Patriot Act
- Consistent application of policy
- Paper based
- No consistency in naming conventions
- No consistency in retention policies
- Focus on back end of the process
- Approval cycles are burdensome



Defining Program Purpose

- Fundamental program objectives:
 - Regulatory Compliance
 - Protecting the organization
 - Setting accession standards
 - Identifying ownership
 - Reducing information volumes
 - Supporting the mission statement

Defining Program Purpose

- New program objectives
 - A high level reference tool
 - An easy access system
 - Copy and revision control
 - Media independent
 - Flexibility
 - Easy-to-use and understand
 - Audited compliance standards

Defining Program Purpose

- Hard questions to ask
 - Does the program cover all information assets?
 - Does the program create undo burden?
 - Is only inactive records the focus?
 - Is standard nomenclature used?
 - Does the program address management needs?
 - Does the schedule meet all regulations?

A Three Step Program Approach

- Data collection and standards development
- Regulatory research and compliance auditing
- Program implementation and training

Data Collection Addresses:

- Existing document types created, received and retained
- IT systems and storage devices
- Data and document duplication and distribution
- Information sharing
- Information identification and definition

The Master Classification Plan

The MCP Sets High Level Indexing and Naming Convention Standards for Both Electronic and Print Files



MCP Data Fields Include:

- Classification code
- Document classification description
- Classification definition
- Media identification
- Protection identification
- Document ownership

SAMPLE COMPANY, INC.
SUMMARY MASTER CLASSIFICATION PLAN

Record Classification		Record Designation		
Code	Description	Media	Vital/ Historical	Office of Record
01 Accounting / Cash Control				
01-344	Account Reconciliation, Schedules, and Supporting Work-papers	Paper, Electronic, Microfilm		Financial Reporting; Finance; Payroll
01-117	Accounts Payable Invoices, Records and Report	Paper, Electronic, Microfilm		Payables
01-351	Accounts Receivable Records	Paper, Electronic, Microfilm	Vital	Financial Reporting
01-352	Bank Statements / Bank Reconciliation	Paper, Electronic, Microfilm		Payables; Financial Reporting; Payroll
01-359	Cash Reports and Records	Paper, Electronic, Microfilm		Accounting; Business Development
01-063	Checks, Canceled and Void	Paper, Electronic		Payables
01-215	Financial and Accounting Information	Paper, Electronic		Finance
01-065	Journal Entries and Supporting Documentation	Paper, Electronic		Payables; Payroll
01-313	Ledgers	Paper, Electronic		Finance; Payables
01-318	Letters of Credit	Paper, Electronic		Legal; Finance
01-103	Travel and Living Expense Reports	Paper, Electronic		Payables

Conduct Regulatory Research By:

- Understanding the organization's products and services
- Determining external issues impacting the business
- Ascertaining states and countries the organization conducts business

Original Domestic Regulatory Resources Include:

- Federal Statutes
- Code of Federal Regulations
- Regulatory agency publications
- State Statutes and Administrative Code
- State commission publications (State Insurance, State Banking, etc.)

Original International Regulatory Resources Include:

- Country Rules and Orders
- Provincial Regulations
- City/State rules
- Super-National Regulations (EU, Far Eastern Trade Alliance, etc.)
- Local Professional Association publications

Regulatory Research Process Includes:

- Retention periods specified by the impacted record
- Reporting requirements for the impacted record
- Event code analysis

Regulatory Guideline Matrix

The RGM Codifies
Actual Retention and
Reporting Guidelines in a
Reference Document for
the Organization's Use.

*This is Not the
Retention Schedule!*

**REGULATORY GUIDELINE MATRIX
SAMPLE COMPANY, INC.**

SOURCE: United States Code

SOURCE / TITLE: Aliens and Nationality; Immigration and Naturalizations; Immigration; General penalty provisions; Unlawful employment of aliens; Employment verification system; Retention of verification form
United States Code
8

CITATION/ RETENTION:	IMPACTED INDUSTRIES: General
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8 U. S.C. 1324a(b)(3)(B)

Longer of Hire date plus 3 years or Termination plus 1 year	IMPACTED RECORDS: Citizenship verification form
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QUOTATION:
 (B) In the case of the hiring of an individual (I) three years after the date of such hiring, or (ii) one year after the date the individual's employment is terminated, whichever is later...

SOURCE / TITLE: Commerce and Trade; Trade-mark; The principal register; Duration of registration; Affidavit of continuing use
United States Code
15

CITATION/ RETENTION:	IMPACTED INDUSTRIES: General
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15 U.S.C. 1058(a)

	IMPACTED RECORDS: Trade Mark registration
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QUOTATION:
 Each certificate of registration shall remain in force for ten years

Creation of the Retention Schedules

- Master Records Retention Schedule includes:
 - The combination of the MCP with responsive citations from the RGM
- Departmental Retention Schedules are:
 - Extracted from the Master schedule using organizational tables

**SAMPLE COMPANY, INC.
MASTER RECORDS RETENTION SCHEDULE**

<i>Record Classification</i>			<i>Retention Policy</i>			
<i>Code</i>	<i>Record Series Special Instructions (as applicable)</i>	<i>Record Designation (Media Type & Vital/Historical)</i>	<i>Working Copy</i>	<i>Office of Record</i>	<i>Record Copy</i>	<i>Responsive Citation(s)</i>
01 Accounting / Cash Control						
01-344	Account Reconciliation, Schedules, and Supporting Work-papers	Paper, Electronic, Microfilm	12 Months	Financial Reporting; Finance; Payroll	6 Years + Tax Agency Clearance	26 CFR 1.6001-1(e) Revenue Procedure 98-25.05.01(1) Revenue Procedure 98-25.05.03 Revenue Ruling 71-20(50)
01-117	Accounts Payable Invoices, Records and Reports	Paper, Electronic, Microfilm	12 Months	Payables	6 Years + Tax Agency Clearance	26 CFR 1.6001-1(e) Revenue Procedure 98-25.05.01(1) Revenue Procedure 98-25.05.03 Revenue Ruling 71-20(50)
01-351	Accounts Receivable Records The Originals or Official Versions of Vital Records should be duplicated and either be disseminated to another location or retained in an off-site vault for the retention period specified. Vital data and documents are considered necessary to the resumption of business in the vent of a natural or man-caused disaster.	Paper, Electronic, Microfilm Vital	12 Months	Financial Reporting	6 Years + Tax Agency Clearance	26 CFR 1.6001-1(e) Revenue Procedure 98-25.0501(1) Revenue Procedure 98-25.05.03 Revenue Ruling 71-20(50)

**SAMPLE COMPANY, INC.
DEPARTMENTAL RECORDS RETENTION SCHEDULE FOR:**

<i>Records Classification</i>			<i>Retention Policy</i>			<i>Record Ownership</i>	
Description Including		Special	Office	Inactive Storage	Destroy	Office of Record	Retention Policy
Code	Record Types	Media Type					
01 Accounting / Cash Control							
01-117 Accounts Payable Invoices, Records and Reports							
Accounts Payable Open Item Information	Paper, Original Electronic, Microfilm		12 Months	5 Years	6 Years + Tax Agency Clearance	Originating Department	
Accounts Payable Supporting Documentation	Paper, Original Electronic, Microfilm		12 Months	5 Years	6 Years + Tax Agency Clearance	Originating Department	
Accounts Payables – Batch Runs	Paper, Original Electronic, Microfilm		12 Months	5 Years	6 Years + Tax Agency Clearance	Payables	
Appropriation Request Approvals	Paper, Original Electronic, Microfilm		12 Months	5 Years	6 Years + Tax Agency Clearance	Payables	
Invoices	Paper, Copy Electronic		12 Months	5 Years	12 Months	Payables	6 Years + Tax Agency Clearance
Payroll Invoices	Paper, Original Electronic		12 Months	5 Years	6 Years + Tax Agency Clearance	Payroll	
01-351 Accounts Receivable Records							
Accounts Receivable	Paper, Original Electronic	A Vital Record – See Notes # 1	12 Months	5 Years	6 Years + Tax Agency Clearance	Accounting	
Accounts Receivable Analysis	Paper, Original Electronic	A Vital Record – See Notes # 1	12 Months	5 Years	6 Years + Tax Agency Clearance	Financial Reporting	

Program Implementation

- Train selected staff on new program processes
- Select and install a DMS/RMS software
- Develop program audits
- Update the master schedule annually
- Sell, sell, sell

Questions

