Records Management

Tenth Edition

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Records Management, Tenth Edition
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PREFACE

Records Management, **Tenth Edition,** is a strong introduction to the increasingly comprehensive field of records and information management. The following factors contribute to today's state of flux in records and information management:

- Continued growth of new information at a rapid rate
- The pace of technological changes
- New laws and regulations
- New risks with security breaches, data lost or misused, and legal e-discovery
- New records formats as business processes are amended and streamlined

This edition emphasizes principles and practices of effective records and information management for physical and electronic records systems. This approach offers practical information to students as well as to professionals at managerial, supervisory, and operating levels. Emphasis is placed on the need to understand the changes occurring with the volume of information, the need for compliance to government regulations, and advances in technology.

Records Management may be used for short courses or seminars emphasizing filing systems or for longer courses such as quarter or semester plans. Basic physical systems concepts and the concepts needed for understanding electronic records storage and retrieval methods are discussed and applied.

As a reference book, this latest edition of *Records Management* serves several purposes. It presents sound principles of records and information management that include the entire range of records—physical (paper), image, and electronic media used in computerized systems. Professionals who direct the operation of records systems will find this edition to be valuable because the rules in the textbook agree with the latest standard filing guidelines presented by ARMA International.

ORGANIZATION

Records Management is designed for easy reading and maximum retention. The text is organized in three parts:

Part I Records and Information Management

- Chapters 1 and 2 introduce the student to the expanding area of records and information management (RIM) as well as the environment in which RIM lives.
- Chapters 3–7 center on alphabetic storage and retrieval methods for physical and electronic systems and transferring records from active to inactive storage.
- Chapters 8–10 adapt the alphabetic storage and retrieval method to subject, numeric, and geographic storage methods.

Part II Electronic Records Management

- Chapter 11, formerly Chapter 5, introduces electronic records file management as well as classifying electronic files using metadata, taxonomies, and file plans. Database elements, how to find information in a database, and using databases in RIM and e-commerce are also discussed.
- Chapter 12 provides a thorough discussion of magnetic, optical, and solid state media through the phases of the records management life cycle. Using micrographics is discussed.
- Chapter 13 (new to this edition) introduces enterprise content management (ECM) describing how Microsoft® SharePoint® is used. Four business processes are described.

Part III RIM Program Administration

- Chapter 14, formerly Chapter 12, is reorganized with additional information on governance and social media sections. Details about the records and information manager's responsibilities are also included. In this chapter, students learn about enterprise content management, storing records in the cloud, SharePoint®, and how to determine whether a record is a record, a nonrecord, or a work in progress. Additionally, students will also learn about how three different businesses manage their records.

NEW TO THIS EDITION

- A **new chapter** has been added: Chapter 13, Electronic Records Management Tools and Processes. This chapter introduces enterprise content management and describes how Microsoft® SharePoint® is used.
- All chapters have been thoroughly updated to reflect changes in the field, including new discussions of metadata, managing information on mobile devices, and bring your own device (BYOD) policies. Additionally, the coverage of information governance, social media and social media policies, and the duties and responsibilities of a RIM manager has been expanded.
- Chapters have been reorganized, adding a unit structure and consolidating the electronic records management chapters.
- Chapter 1 is now separated into two shorter chapters: Records and Information Management and The RIM Environment.
- On The Job profiles have been updated, with seven new interviewees, including SharePoint and electronic recordkeeping expert Bruce Miller.

CHAPTER FEATURES

Learning Tools

- **Learning Objectives** highlight each chapter's major concepts.
- **Glossary terms** and definitions appear in the margin.
- **Margin notes** help students reflect on key content.

CHAPTER 2

The RIM Environment

ON THE JOB

The State of Oregon is unique in that both records management and archives management are directed by the state archivist. State Archivist Mary Beth Herkert's duties are to (1) provide advice and assistance on public records management issues and authorize the destruction of public records for all levels of Oregon government; (2) protect, store, and provide access to permanently valuable records of Oregon; and (3) operate the Oregon State Records Center and the Security Copy Depository. Nontraditional duties include filing "Official Documents," as defined by law, for the Secretary of State; publishing Oregon's Administrative Rules; and publishing the Oregon Blue Book.

According to Mary Beth, the Oregon State Archives has changed their approach to managing information by making available a statewide, electronic records management system (ERMS) called the Oregon Records Management Solution (ORMS). ORMS, a public/private, software as a service (SaaS) solution provides an effective and affordable ERMS to all state and local government entities. In addition, ORMS resides in a private government cloud where participating agencies retain custody of their records, follow authorized records retention schedules, and are able to control access to their records based on existing statutes, rules, and policies. The results have improved access to public records, which in turn makes government more transparent.

Mary Beth believes that the records management profession as a whole, especially in the private sector, will continue to expand. As more and more information is being generated and is in need of being managed, the importance of the records manager role in organizations will increase. In their new capacity, record managers must take full advantage of available tools to manage information.

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LEARNING OBJECTIVES

1. Identify and define electronic business activities.
2. Define records and information programs for managing records.
3. Identify common problems and challenges for records systems.
4. Describe the legal considerations and relevant legislation impacting records and information management.
5. Explore possible careers in records management, and understand the role of professional organizations in records and information management: ARMA International and AIIM.

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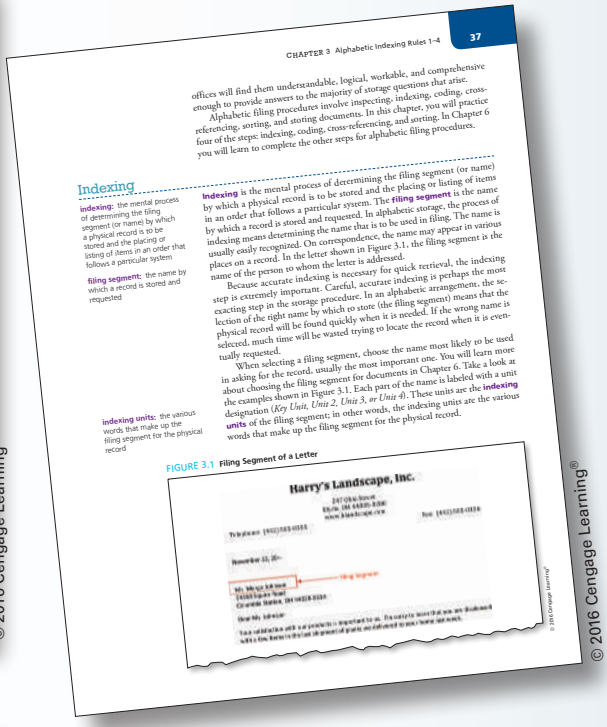

CHAPTER 3 Alphabetic Indexing Rules 1–4 37

offices will find them understandable, logical, workable, and comprehensive enough to provide answers to the majority of storage questions that arise.

Alphabetic filing procedures involve inspecting, indexing, coding, cross-referencing, sorting, and storing documents. In this chapter, you will practice four of the steps: indexing, coding, cross-referencing, and sorting. In Chapter 6 you will learn to complete the other steps for alphabetic filing procedures.

Indexing

indexing: the mental process of determining the filing segment (or name) by which a physical record is to be stored and the placing or listing of items in an order that follows a particular system

filing segment: the name by which a record is stored and requested

Indexing is the mental process of determining the filing segment (or name) by which a physical record is to be stored and the placing or listing of items in an order that follows a particular system. The **filing segment** is the name by which a record is stored and requested. In alphabetic storage, the process of indexing means determining the name that is to be used in filing. The name is usually easily recognized. On correspondence, the name may appear in various places on a record. In the letter shown in Figure 3.1, the filing segment is the name of the person to whom the letter is addressed.

Because accurate indexing is necessary for quick retrieval, the indexing step is extremely important. Careful, accurate indexing is perhaps the most exacting step in the storage procedure. In an alphabetic arrangement, the selection of the right name by which to store (the filing segment) means that the physical record will be found quickly when it is needed. If the wrong name is selected, much time will be wasted trying to locate the record when it is eventually requested.

When selecting a filing segment, choose the name most likely to be used in asking for the record, usually the most important one. You will learn more about choosing the filing segment for documents in Chapter 6. Take a look at the examples shown in Figure 3.1. Each part of the name is labeled with a unit designation (*Key Unit, Unit 2, Unit 3, or Unit 4*). These units are the **indexing units** of the filing segment; in other words, the indexing units are the various words that make up the filing segment for the physical record.

indexing units: the various words that make up the filing segment for the physical record

FIGURE 3.1 Filing Segment of a Letter

Harry's Landscape, Inc.

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Guides and Labels

Guide labels used in subject records storage are determined by the subject titles used. If subject titles are long, subject codes or abbreviations may be used. Subject coding is explained in more detail on pages 205–207. Figure 8.9 shows an example of primary and secondary guides. The primary guide caption contains the main subject and its subdivision. Because guides are not removed from a storage container during storage and retrieval, a primary guide caption can be omitted on a secondary guide, as shown in Figures 8.5 through 8.8 on pages 194–197.

FIGURE 8.9 Primary and Secondary Guide Labels

INDEXES RELATIVE
INDEXES
INDEXES MASTER

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Why does subject filing require customized guide and folder labels?

Subject filing requires customized labeling of guides and folders that matches subjects and subdivisions. Adhesive labels are available from a variety of suppliers and in a variety of sizes and colors. Packages of labels include directions for using the label function in word processing software programs. The software program label function enables preparation of many different label sizes and styles, as shown in Figure 8.10. Label templates may be downloaded from label suppliers' websites. A template allows a user to key several captions on a template and print the entire sheet of labels or only a portion of the sheet. Blank tab inserts for one-third-cut or one-fifth-cut manual or plastic tab sizes can be purchased in strips for attaching computer-generated adhesive labels.

Where are captions printed on primary guide labels or inserts?

Captions on all guides in the records system should have consistent spacing and style. All primary guide label captions should begin near the left edge and near the top of the label. The label function of software (word processing or database) uses preset margins for each label selection. When using these settings, be sure the label captions begin at the same point on all labels.

Labels are easier to read with information in a straight line rather than staggered. Key the information in all capitals with no punctuation. Decide whether to use complete subject titles, abbreviated titles, or subject codes, and follow this format consistently. Mixing styles of captions complicates filing and retrieval.

Special Sections

- **Career Corner** job descriptions of careers in records management give students a preview of potential career paths and requirements.
- **Records Management in Action** case studies give real-life examples of records management topics.
- **My Records** tips bring home chapter concepts with suggestions for managing personal records.
- **On the Job** interviews with professionals in the field add relevancy to the concepts.

CHAPTER 8 Subject Records Management 207

Do not rely on memory to determine the subject under which a record should be stored. Consult the master or relative index to be sure that you have selected and coded the filing segment correctly.

Coding in an alphabetic subject filing system may include an entire subject title such as PURCHASING. However, abbreviations can simplify coding in a large, complex subject filing system because writing subjects on records, especially subjects of more than one word, can be done much quicker with abbreviated subject codes. Create an abbreviation with the first alphabetic character of the subject title followed by the next one or two consonants such as PRC for PURCHASING, or use the first character of each word in a multiple-word subject heading such as RRS for RECORDS RETENTION SCHEDULE. Because the codes may consist of as many as six characters, PRCH may be more easily remembered for PURCHASING than PRC. Consistency is essential when developing a subject code system in which two- to six-character abbreviations are used. Everyone using the system must understand the codes and how to develop new ones when necessary. If abbreviations are used, the master index should show codes as well as complete subject titles. Be sure to write subject letter codes on each record, and include them on individual folder label captions, along with the subject title.

Why would using subject codes save coding time?

CAREER CORNER

Human Resources Records Administrator

The following job description is an example of a career opportunity in a manufacturing company.

GENERAL INFORMATION

The records administrator manages employee-related files such as medical, vacation, discipline, and performance review records.

RESPONSIBILITIES

- Ensure that employee file requests have proper authorization.
- Implement and maintain standard employee folder organization.
- File and retrieve all employee-related records.
- Comply with the company's records retention schedule for human resources records.
- Produce periodic statistical reports of employee demographic information.

EXPERIENCE AND EDUCATION

- High school diploma or equivalent
- Two to three years' administrative experience
- Excellent verbal and written communication skills
- Ability to properly handle confidential and sensitive information
- Strong attention to detail and organization
- Strong database software and report writing experience

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Electronic Records

electronic record: a record stored on electronic media that can be readily accessed or changed

An **electronic record** is a record stored on electronic media that can be readily accessed or changed. A piece of equipment is required to view and read or listen to electronic records. With the development and use of application software on personal computers, e-mail, letters, memos, and reports are created electronically; however, the original purpose of these systems was to facilitate the creation of physical records. As technology has advanced, true electronic records are in use today, that is, records created, distributed, used, and stored in electronic form. The contents of these records are accessible by machine or by querying a database.

The challenge for the records manager is to ensure that all records are what they appear to be. The ARMA Generally Accepted Recordkeeping Principles® introduced in Chapter 2 define parameters for records and information management. Increases in fraud and theft of electronic records have left records and information managers desperate to ensure the safety and security of the organization's valuable resources.

To that end, each person responsible for electronic records follows the records management storage and retrieval procedures set up for the organization. Consistently following procedures helps protect the company in legal actions. The same benefits of following proper records management procedures for physical records also apply to electronic records: the information is available at the right time to help make effective decisions.

RECORDS MANAGEMENT IN ACTION

E-Discovery Costs Can Damage Business Profitability

As businesses create more and more electronic records, the costs of identifying and retrieving relevant information due to a lawsuit can severely impact the profitability of the company. For example, when the roofs of three airplane hangars collapsed due to heavy snow and ice and crushed 18 private jets, the aviation company that owned the hangers had to retain 8,000 gigabytes of electronic documents. Approximately 2 million electronic documents might have contained information pertinent to the multiple lawsuits that were filed. These documents had to be sifted through for possible liability for the roof collapses. The estimated cost for attorneys to read and manually review the documents was $1.00 each.

Fortunately, the court gave permission for the company to use a computer program that uses *predictive coding* to sort through the documents for keywords or elements. As a result, the number of documents that had to be manually reviewed was reduced to about 10 percent of the original number.

This example illustrates that even with the assistance of computer programs, E-Discovery can still be a very expensive process for businesses that are subject to legal action. In addition, recent court rulings have sided with plaintiffs, agreeing that keywords used in searching for relevant documents may be disclosed. This ruling could lead to additional litigation and costs to the business if the initial search is determined to be inadequate.

Source: Joe Palazzolo. "Why Hire a Lawyer? Computers Are Cheaper," *The Wall Street Journal*, June 18, 2012; Ralph Losey, e-Discovery Team website, http://e-discoveryteam.com/2013/10/06/party-ordered-to-disclose-where-and-how-it-searched-for-esi-you-can-expect-this-kind-of-order-to-become-commonplace/, accessed October 23, 2013.

MY RECORDS

Do You Know Where Your Records Are?

Think quickly—where is your birth certificate? Where is the title of your car?

If you are like most people, you might not know exactly where your important records are. Do you know where you keep each of these records?

• Birth certificate • Marriage license • Marriage certificate • Passport • Diploma • Auto loan documents • Auto insurance policy • Life insurance policy • Property deeds • Mortgage loan documents	• Tax returns for previous years • Will or trust documents • Automobile title • Renter's or homeowner's insurance policy • Rental or lease agreement • Divorce decree • Adoption or naturalization papers	• Military discharge papers • Vaccination records for all family members • Medical histories for all family members • Pay stubs from current and previous jobs • Stock purchases and other investment records

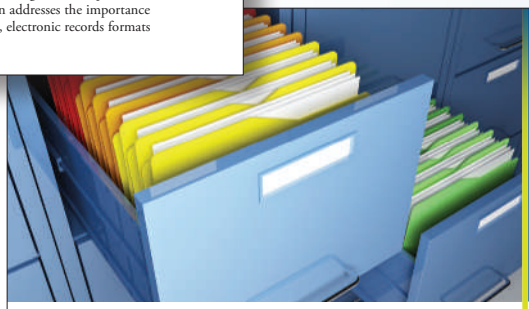
Each record listed above is either vital or important. What degree of protection have you provided for each record? Are your records in a fire-resistant container or in a safe deposit box? Follow these suggestions for keeping your vital and important records safe:

• Identify a single location to store all vital papers and information related to your financial transactions. • Create copies of your vital records. Some of the copies may need to be certified as official copies. • Put important original documents in plastic sheet protectors to protect and easily identify them.	• Notify family members or friends not living with you where important information will be located if disaster strikes. • Inventory the records you and/or your financial institutions keep only on computers. Include account numbers and passwords on your inventory. Keep the inventory safe.	• Make backups of your computer records. If possible, store the backups at another location. • Once a month, update your stored information. Has anything changed? Make another backup.

By knowing the meaning and importance of each part of the entire records life cycle, you will be able to understand what is needed to manage all records—both physical and electronic.

RECORDS FORMATS

As you have learned from the examples at the beginning of the chapter, a record can be physical or electronic. The next section addresses the importance of physical or paper records. After physical records, electronic records formats are identified and discussed.



CHAPTER 3

Alphabetic Indexing Rules 1–4

Photo © Judith Reed

ON THE JOB

Andrew Penta is the Records Officer for Clark County in southwest Washington. Andrew is the county liaison with Washington State Archives for permanent and historic records and also serves as the Oregon ARMA president. Andrew is a certified records manager (CRM). Andrew's road to his current job included being in the right place at the right time; he liked working with records. His people skills, management skills, and RIM background, as well as his CRM credential, help him enjoy his career.

Currently, Andrew manages the centralized inactive records storage facility for Clark County. The facility holds over 20,000 cubic feet of law and justice, financial, and administrative records. Andrew is responsible for record maintenance, updating and applying a legally defensible retention schedule, and coordinating records disposition. In addition, Andrew supervises the microfilming and digital scanning within an imaging system that contains 4 million pages of records.

Andrew's advice to students is to give themselves a head start in the records management field through formal education. Andrew encourages all people, at any stage of their career—but especially students and younger workers—to pursue coursework, or at least independent study, for the strongest chance of success. He believes that the best part of obtaining a CRM credential is that you must continue your education to maintain it. This provides extra motivation to keep learning—and there is so much to study. To illustrate Andrew's dedication to the records management profession, he is studying to be become a certified document imaging architect. In general, students should complete business technology and record management courses as well as library or archival science courses. Computer science or IT courses are also useful for record managers.

LEARNING OBJECTIVES

1. Explain the need for indexing rules in alphabetic storage of records and the importance of following these rules consistently.
2. Index, code, and arrange personal and business names in indexing order of units.
3. Index, code, and arrange minor words and symbols in business names.
4. Index, code, and arrange names with punctuation and possessives.
5. Index, code, and arrange names with single letters and abbreviations.
6. Apply alphabetic filing procedures.
7. Prepare and arrange cross-references for personal and business names.
8. Sort personal and business names.
9. Find information in database records.

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Microsoft® Access Activities

- Microsoft® Access activities, included throughout the text and in the "**Records Management Simulation**", give students practice in using a database for records management. In the textbook, an Access Activity icon identifies applications that utilize Microsoft® Access.

Data Files

Data File

Students use data files (provided on the companion website for this book) to complete self-check activities in Chapters 3–5 and end-of-chapter applications in all chapters. Because an understanding of the hierarchy of our government is helpful when applying alphabetic indexing rules to government names, a file that provides an overview of government structures is also included. In the textbook, a data files icon identifies applications that require data files. Students will download, unzip, and use the data files in practical applications of electronic records management.

Self-Check Activities

Self-check activities throughout Chapters 3–5 offer students the opportunity to practice applying each filing rule immediately after reading about it in the text.

Examples of Rule 6

	FILING SEGMENT	INDEXING ORDER OF UNITS			
	Name	Key Unit	Unit 2	Unit 3	Unit 4
1.	Michael D'Agostino, DMD	DAgostino	Michael	DMD	
2.	D'Angelo's Pizza Parlor	DAngelos	Pizza	Parlor	
3.	Ms. Penelope D'Cruz	DCruz	Penelope	Ms	
4.	Mario De La Torres, MD	DeLaTorres	Mario	MD	
5.	Theresa Del Favero, CPA	DelFavero	Theresa	CPA	
6.	La Marte & McCaw Attys	LaMarte	and	McCaw	Attys
7.	Dr. Terrence O'Donald	ODonald	Terrence	Dr	
8.	O'Donald's Public House	ODonalds	Public	House	
9.	Edward Saint Cyr	SaintCyr	Edward		
10.	San Souci Resturant	SanSouci	Restaurant		
11.	St. Edwina's Arts & Crafts	StEdwinas	Arts	and	Crafts
12.	Ms. Mayme Ten Eyck	TenEyck	Mayme	Ms	
13.	Ms. Lorraine TenPas, PhD	TenPas	Lorraine	PhD	Ms
14.	Lt. Enid Van de Haven	VandeHaven	Enid	Lt	
15.	Van der Camp's Hobbies	VandeCamps	Hobbies		
16.	Otto Von der Hoff	VonderHoff	Otto		
17.	Alice Von Hoff	VonHoff	Alice		

RULE 6: Self-Check

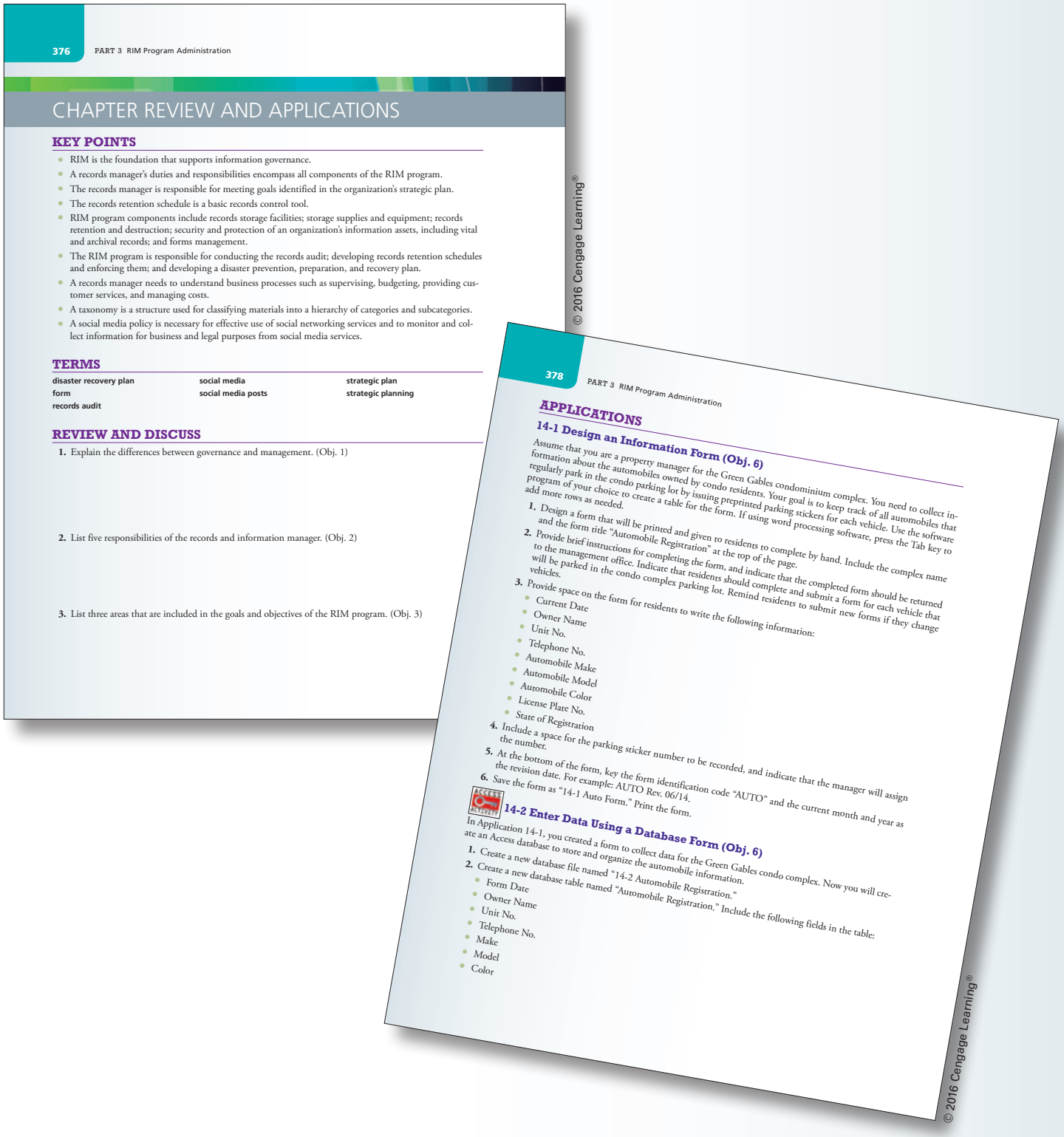
1. Index each name in the table. Code each name by writing each unit of the filing segment in the appropriate column. The first name is shown as an example.

	Filing Segment	Order	Key Unit	Unit 2	Unit 3	Unit 4
a.	D'Arcy & Davis Consultants		DArcy	and	Davis	Consultants
b.	Ms. Syndi LaJoi, RD					
c.	McLean's Web Design					
d.	Mr. James Van Dyke					
e.	Pamela St. John, CPA					
f.	Ms. Maureen O'Boyle					
g.	Eleanor K. DeLacy					
h.	Mr. Mitchell Ste. John					
i.	Gov. Tom McCall					
j.	McAdam's Paving Co					

2. Compare the key units and the other units, if needed, to determine the correct alphabetic filing order for the names. Indicate the correct filing order by writing numbers 1 through 10 beside the names in the Order column.

End-of-Chapter Review

- **Key Points** and **Terms** lists remind students of important chapter concepts and terminology.
- **Review and Discuss** questions and activities guide reflection on the learning objectives.
- **Applications** put chapter concepts to use in practical exercises.



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CHAPTER REVIEW AND APPLICATIONS

KEY POINTS

- RIM is the foundation that supports information governance.
- A records manager's duties and responsibilities encompass all components of the RIM program.
- The records manager is responsible for meeting goals identified in the organization's strategic plan.
- The records retention schedule is a basic records control tool.
- RIM program components include records storage facilities; storage supplies and equipment; records retention and destruction; security and protection of an organization's information assets, including vital and archival records; and forms management.
- The RIM program is responsible for conducting the records audit; developing records retention schedules and enforcing them; and developing a disaster prevention, preparation, and recovery plan.
- A records manager needs to understand business processes such as supervising, budgeting, providing customer services, and managing costs.
- A taxonomy is a structure used for classifying materials into a hierarchy of categories and subcategories.
- A social media policy is necessary for effective use of social networking services and to monitor and collect information for business and legal purposes from social media services.

TERMS

disaster recovery plan
form
records audit
social media
social media posts
strategic plan
strategic planning

REVIEW AND DISCUSS

1. Explain the differences between governance and management. (Obj. 1)
2. List five responsibilities of the records and information manager. (Obj. 2)
3. List three areas that are included in the goals and objectives of the RIM program. (Obj. 3)

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APPLICATIONS

14-1 Design an Information Form (Obj. 6)

Assume that you are a property manager for the Green Gables condominium complex. You need to collect information about the automobiles owned by condo residents. Your goal is to keep track of all automobiles that regularly park in the condo parking lot by issuing preprinted parking stickers for each vehicle. Use the software program of your choice to create a table for the form. If using word processing software, press the Tab key to add more rows as needed.

1. Design a form that will be printed and given to residents to complete by hand. Include the complex name and the form title "Automobile Registration" at the top of the page.
2. Provide brief instructions for completing the form, and indicate that the completed form should be returned to the management office. Indicate that residents should complete and submit a form for each vehicle that will be parked in the condo complex parking lot. Remind residents to submit new forms if they change vehicles.
3. Provide space on the form for residents to write the following information:
   - Current Date
   - Owner Name
   - Unit No.
   - Telephone No.
   - Automobile Make
   - Automobile Model
   - Automobile Color
   - License Plate No.
   - State of Registration
4. Include a space for the parking sticker number to be recorded, and indicate that the manager will assign the number.
5. At the bottom of the form, key the form identification code "AUTO" and the current month and year as the revision date. For example: AUTO Rev. 06/14.
6. Save the form as "14-1 Auto Form." Print the form.

14-2 Enter Data Using a Database Form (Obj. 6)

In Application 14-1, you created a form to collect data for the Green Gables condo complex. Now you will create an Access database to store and organize the automobile information.

1. Create a new database file named "14-2 Automobile Registration."
2. Create a new database table named "Automobile Registration." Include the following fields in the table:
   - Form Date
   - Owner Name
   - Unit No.
   - Telephone No.
   - Make
   - Model
   - Color

SUPPLEMENTAL RESOURCES

Free Companion Website

Records Management offers a free companion website for instructors and students, with data files, Access tutorials, web links, and instructor resources.

Instructor Resources

Instructor resources on the companion website include:

- The **Instructor's Manual** provides teaching suggestions for the course, schedules to supplement the course syllabus, chapter-specific teaching suggestions, and solutions to all self-checks and end-of-chapter activities. The Instructor's Manual also includes teaching suggestions, finding tests, and all solutions for the "**Records Management Simulation**".
- **Cengage Learning Testing Powered by Cognero**, a flexible, online system that allows instructors to accomplish the following:
  - Author, edit, and manage test bank content from multiple Cengage Learning solutions.
  - Create multiple test versions in an instant.
  - Deliver tests from the learning management system (LMS), the classroom, or wherever the instructor wants.
- **PowerPoint® lecture slides** distill key concepts for classroom presentation and discussion.
- **Solutions for self-check activities**
- **Filing and placement tests and solutions**
- **Supplemental activities and solutions**
- **Simulation finding tests, forms, and solutions**

Student Resources

Student resources found on the companion website include:

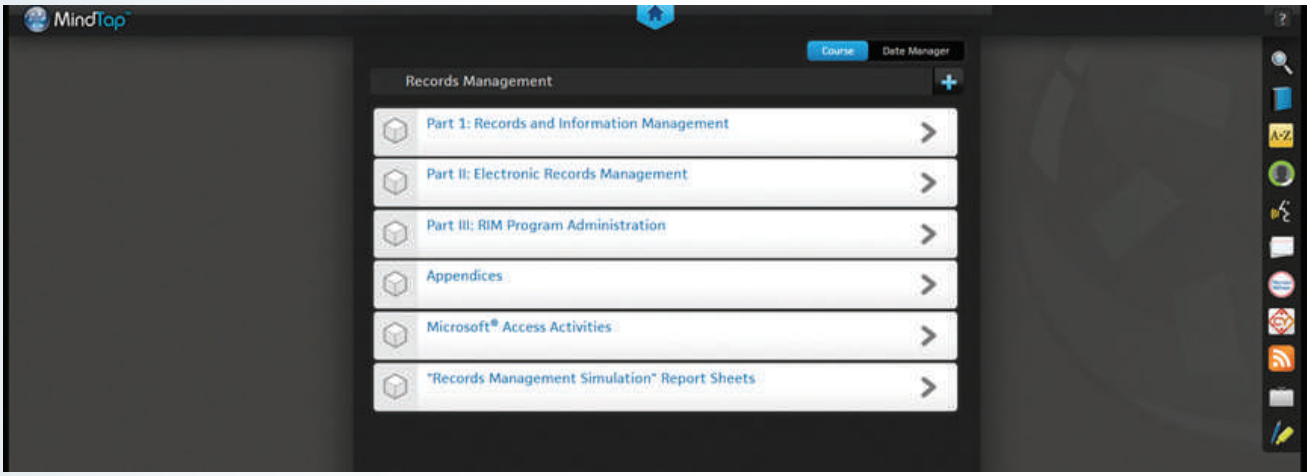
- Data files for the textbook and the simulation
- Microsoft® Access 2010 and 2013 tutorials
- Helpful web links

Simulation

"**Records Management Simulation**," available for separate purchase, provides realistic activities for filing and retrieval of both physical and electronic records in a business environment. Rules are compatible with ARMA International guidelines. This set of practical learning materials consists of 13 filing jobs in which students practice physical document filing in alphabetic, subject, consecutive numeric, terminal-digit numeric, and geographic filing systems, as well as requisition/charge-out and transfer procedures. A data CD includes report sheets that students fill out after they complete each job, finding test forms, simulated e-mail messages, and files for use with database applications. ISBN: 9781305119178.

MindTap

MindTap Office Technology for Records Management, 10th edition, is the first of its kind in an entirely new category: the personal learning experience (PLE). This personalized program of digital products and services uses interactivity and customization to engage students, while offering instructors a wide range of choice in content, platforms, devices, and learning tools. MindTap is device agnostic, meaning that it will work with any platform or learning management system (LMS) and will be accessible anytime, anywhere: on desktops, laptops, tablets, mobile phones, and other Internet-enabled devices.



MindTap Office Technology for Records Management, 10th edition, includes the following:

- An interactive e-book with highlighting, note taking (integrated with Evernote), and more
- Flashcards for practicing chapter terms
- Computer-graded activities and exercises using the CengageNOW MindApp:
  - Self-check and application activities, integrated with the e-book
  - Study guide with additional computer-graded activities and exercises
  - Report forms for the simulation
  - Drop boxes for submitting instructor-graded exercises·
- Computer-graded Microsoft® Access activities provided via SAM (Skills Assessment Manager)

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The authors are grateful to many companies and individuals who assisted in completing this revision of ***Records Management***. Further, we appreciate the help of the filing equipment and supplies manufacturers and vendors who gave time and information to the authors in their efforts to update this edition effectively.

In addition, special appreciation is extended to the instructors who provided valuable feedback by responding to our surveys, including Geoffrey J. Aguirre, UEI, Anaheim; Benay Berl, San Diego City College; Lyda Black, Shelton State Community College; Edna K. Boroski, PhD, Trident Technical College; Shirley Brooks, Holmes Community College; Cathy Combs, Tennessee College of Applied Technology Morristown; Janel C. Doyle, Southcentral Kentucky Community and Technical College; Juanita Fraley, Dine College; Laurie Gambrell, Copiah-Lincoln Community College; Winona Hatcher, USC Upstate; Brenda K. Heschke, DuBois Business College; Trisha Hopper, Southeastern Community College; Sharon Horne, Haskell Indian Nations University; Patricia Johnson, South Piedmont Community College; Deborah H. Littrell, Northwest Community College, Oxford Center; Kristy McAuliffe, San Jacinto College South; Cora Newcomb, Technical College of the Lowcountry; Dennis Newson-Craig, UEI College; Jessica Pace, Panola College; D. L. Presley, Los Angeles Harbor College; Carlton R. Raines, Lehigh Carbon Community College; Patricia A. Saccone, MA, RHIA, Waubonsee Community College; Angela Snelling, Madison Area Technical College; Linda Snider, Grossmont College; Elizabeth Wanielista, Valencia College; MaryLou Wilson, Piedmont Technical College; and Lisa Ann Winfrey, Bluegrass Community and Technical College.

We would like to thank each other and to express our appreciation to our families, friends, coworkers, project manager, and consulting editor, whose encouragement and direction have been invaluable in completing this revision. The result, we believe, is an easily understandable, instructive, up-to-date introduction to the field of records and information management.

I dedicate this edition to my husband, Rod.

Judy Read
Mary Lea Ginn

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PART 1 Records and Information Management

CHAPTER 1

Records and Information Management

LEARNING OBJECTIVES

1. Discuss the reasons that businesses and individuals need records and information.
2. Identify records, record types, and the value of the record for an organization.
3. Describe the life cycle of records and information.
4. Identify the various kinds of physical and electronic records formats.

Courtesy of Doug Allen

ON THE JOB

Effective management of land records and vital statistics records that reflect property ownership in the United States is largely unknown to many records and information management professionals. Tyler Technologies' Regional Sales Manager, Douglas Allen, certified records manager (CRM) and certified document imaging architect (CDIA+), has spent most of his career working with county clerks, county recorders, and county registers of deed in acquiring and implementing software that facilitates the reliable capture, storage, and retrieval of land records, and vital statistics records. He manages a team of eight (8) account executives spread across the United States.

Doug has been a member of ARMA International since 1977 and has been a CRM since 1982. As an ARMA member, Doug has served two "tours of duty" on the ARMA International Board of Directors and is a past president of the Association. Throughout his career, Doug has found his association membership and professional certifications to be valuable to his work, the training of his sales force, and the clients with whom he has worked. Both have also contributed to the longevity of his career.

The field of records and information management will continue to evolve. As our technologies continue to migrate to digital format and as organizations focus on information governance, the field will become both more rewarding and more challenging. Doug's advice for students studying for a career in the field is that they expand their learning horizons with significant exposure to IT systems and issues, risk management, and legal issues. Further, Doug recommends that students dedicate themselves to lifelong learning, to demonstrate their abilities by achieving and maintaining meaningful certifications, and to work within associations like ARMA to help build the networks that they will need to ensure long-term career success.

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INFORMATION AND RECORDS ARE ESSENTIAL FOR BUSINESS

As a business customer, every time you buy a product or service, you are creating a record of that transaction. For instance, the last time you went to the movies, you paid in cash or by debit/credit card. You received a receipt as well as your ticket to enter the movie of your choice. The receipt is the record of your expenditure. The ticket is handed to the usher to prove that you have paid for the movie.

Business records are created in many different ways. For instance, what kinds of business records can be created when you pay your monthly cell phone bill?

- **Option 1:** You receive your paper bill in the mail. You check the bill for accuracy. You pay the bill by writing a paper check and mailing it with the remittance portion of the invoice to the phone company.
- **Option 2:** You receive your bill in an e-mail or text message on your cell phone. You check the bill for accuracy. You pay the bill by accessing your online bank checking account. The bank then electronically transfers the money from your checking account to the phone company.
- **Option 3:** You receive a bill via e-mail or text message on your phone. You check the bill for accuracy. You have set up an auto-pay authorization between the phone company and your credit card company. The amount due appears on the next credit card statement. You pay the credit card balance by accessing your online checking account to pay the bill electronically. You receive reward mileage for using your credit card.

Cell phone users carry out these options daily. Which option do you use?

The phone company creates transaction records each time a bill is sent by US mail, e-mail, or as a text message. When the phone company receives your payment, they update your payment record and credit your account.

The bank creates transaction records when your checking account is debited to make a payment to the phone company.

How many of your transactions are in electronic form?

The credit card company creates transaction records when they charge the phone billing to your account, when they receive your payment, and when they credit your rewards account.

Your bill is a record of your cell phone usage, data plans, and so on. This record becomes part of your contract agreement with the phone company.

As you can see from the previous examples, records and information are essential to conduct business for all who are involved in the transaction.

Records Keeping Meets Regulatory Compliance Requirements

The purchase of a new car provides another example of transaction records. You go to a dealer and agree to purchase a new auto. Let's say that you fill out the paper work to finance your new car. This application is sent to the financial institution that you would work with, and it is approved. Then, the dealer fills out the Department of Motor Vehicles (DMV) registration. Your name is

on the title to the new vehicle, as is the name of the financial institution until you pay off the loan for the car.

Someone at the car dealership fills out the financial application, and that record becomes a legally binding contract. A copy of the financial application is sent to the financial institution as a promissory note. You are given a copy of the contract you have signed.

What is a record?

The Department of Motor Vehicles receives registration and title applications. Both these records become part of the database of registered vehicles in your state.

You must continue to provide the financial institution with evidence of insurance, as indicated on your vehicle registration.

Each document meets the legal and regulatory requirements for the purchase of your new car. Transaction records are vital to various government agencies in ensuring compliance with legal requirements.

Organizations and Individuals Need Records

Why do organizations need records?

As you can see from the previous examples, records serve as the memory of an organization or individual. Records also document the information needed for complying with regulations and the transactions of an organization. For example, management policies are developed and recorded to furnish broad guidelines for operating a business. Each department (for example, finance, marketing, accounting, and human resources) bases its entire method of operations upon records.

record: stored information, regardless of media or characteristics, made or received by an organization that is evidence of its operations and has value requiring its retention for a specific period of time

The term **record** has a specific meaning in records and information management. **ARMA International** (an association for information management professionals) defines a record as stored information, regardless of media or characteristics, made or received by an organization that is evidence of its operations and has value requiring its retention for a specific period of time.

ARMA International: an association for information management professionals

From a personal standpoint, why do you keep your diploma, birth certificate, the title of ownership to your car, or the promissory note that provided you with the money to attend college? The answer is simple: In today's complex world, people cannot get along without records. They need the information that records contain; information is needed for driver's licenses, job applications, credit card and mortgage applications, lease agreements, tax returns, voter registrations, and medical services.

records management: the systematic control of all records from their creation or receipt, through their processing, distribution, organization, storage, and retrieval, to their ultimate disposition

Business owners and managers have learned more about the importance and value of their records and have incorporated processes and procedures to preserve and protect them. Many businesses now follow guidelines and standards for maintaining their records for the lengths of time necessary for their business operations. Some of the more important standards are discussed next.

RECORDS MANAGEMENT

Records management is the systematic control of all records from their creation or receipt, through their processing, distribution, organization, storage, and retrieval, to their ultimate disposition. Because information is such an

important resource to organizations, the records management function also includes information management. Therefore, records management is also known as *records and information management (RIM).*

ANSI and ISO Standards

ISO 15489: a standard for records management policies and procedures

The American National Standards Institute (ANSI), a voluntary group of private sector businesses and government agencies, is a member of the International Organization for Standardization (ISO). The ISO is a worldwide federation of national standards organizations. **ISO 15489** is a standard for records management policies and procedures. The purpose of this standard is to ensure that appropriate attention and protection apply to all records, and that the evidence and information records contain can be retrieved efficiently and effectively using standard practices and procedures. International standards help the records management function of an organization clarify its purpose and prove its value by managing important information.

Traditional records management is being transformed because of changes in technology and the proliferation of data generated. Records management is also affected by legislation related to how businesses must operate and keep records. This textbook deals with records in business organizations; however, the principles you learn should also help you understand how to use records efficiently in other types of organizations and in your personal life.

ISO 15489 defines a record as follows:[1]

> A record is information created, received, and maintained as evidence and information by an organization or person, in pursuance of legal obligations or in the transaction of business.

Records are not just any document an organization produces or receives. Some experts estimate that of all the documents that an organization creates, only 10 to 15 percent qualify as records. Records management procedures for each organization specify which documents or information become records, based on their types and value to the organization.

RECORDS TYPES AND VALUES

cloud: Internet or a network of servers

Common records, such as e-mails and their attachments, reports, forms, and books, can appear on paper, on remote servers in "the **cloud**," on optical or digital storage media, or on an organization's intranet pages. The cloud refers to the Internet (or a network of servers). Cloud computing refers to using these servers for data storage or to run computer programs and software applications such as e-mail. An organization may receive records through regular mail, electronic mail, facsimile machines (fax), special couriers, or by accessing computer networks, including the Internet and company intranets.

Other types of records to consider are video and oral records that capture the human voice and/or images that can be stored in the cloud, and other

[1]International Organization for Standardization, ISO 15489-1:2001, Information and Documentation—Records Management, Part 1: General (Geneva, Switzerland: ISO, 2001).

magnetic or digital media. Records are also stored on film, CDs, DVDs, videotapes, photographs, and microfilm. Records are valuable property, or resources, of an organization and, like all other resources, they must be managed properly.

external record: a record created for use outside of the organization. It may be created inside or outside of the organization

Records can be created for internal or external usage. An **external record** contains information for use outside of the organization. It may be created inside or outside of the organization. Examples are communications between a firm and its employees (payroll records, bulletins, newsletters, and government regulations).

internal record: a record that contains information needed to operate an organization

An **internal record** contains information needed to operate an organization. Such a record may be created inside or outside an organization. Many internal records are created through the use of e-commerce systems using databases and web server application. An example is the communications among an organization's departments (inventory control records, interoffice memos or e-mail, purchase requisitions, and reports).

transaction record: a document used in an organization's day-today operations

A **transaction record** is a document used in an organization's day-to-day operations. These documents consist primarily of business forms that can be created manually, electronically, or generated via e-commerce systems on the Internet. Examples are invoices, requisitions, purchase and sales orders, bank checks, statements, contracts, shipping documents, and personnel records such as employment applications, time sheets, and attendance reports.

reference record: a record that contains information needed to carry on the operations of an organization over long periods

A **reference record**, on the other hand, contains information needed to carry on the operations of an organization over long periods. These records are referenced for information about previous decisions, quotations on items to purchase, statements of administrative policy, and plans for running the organization. Examples of common reference documents include policy manuals, policy memos, sales performance, and financial reports. Other examples include catalogs, price lists, and brochures. Any of these reference documents can be accessed on an organization's website, intranet, or in the cloud.

Figure 1.1 shows the types of records and the contents of each record type. Regardless of their type, these records must be categorized based on their value to the organization, as illustrated in Figure 1.2.

FIGURE 1.1 **Records Types and Contents**

RECORD TYPE	CONTENTS
Internal	Contains information for operation of the organization
External	Contains information for use outside the organization
Transaction	Contains information used in day-to-day operations
Reference	Contains information needed for long-term operations

Categorizing the Value of Record(s)

Through review and analysis of the organization's records inventory, a determination is made as to the value of the records and to which category each record belongs. This evaluation is used to develop a records retention

schedule specifying how long to keep the records in an organization. Developing a legally defensible retention schedule is of critical importance. You will learn more about this in Chapter 7: Storing, Retrieving, and Transferring Records.

What four categories are used to identify the value of a record?

Some records are so valuable to the organization that they require special measures of protection. Each record maintained by an organization falls into one of four categories that determine how the records should be retained and the level of protection they require. These categories are vital records, important records, useful records, and nonessential records, as shown in Figure 1.2.

FIGURE 1.2 **Records Categories**

CATEGORY	EXAMPLES
Vital Records	
• Necessary for the mission-critical business operations • Usually not replaceable: operations not possible without these records • Highest degree of protection necessary	Legal papers, articles of incorporation, titles of property, reports to shareholders, bookkeeping related to profit and loss Vital records can be classified as active or inactive, and they may only be vital for a portion of their life cycle.
Important Records	
• Necessary in performing business operations • Usually replaceable but at great cost • High degree of protection necessary	Personnel records, sales records, financial and tax records, policy manuals and memos, reports, and contracts
Useful Records	
• Helpful in conducting business operations • Usually replaceable at slight cost • Low to medium degree of protection	General e-mails, letters, memos
Nonessential Documents (Usually will not be classified as a record)	
• Documents that have no predictable value after their initial use • Lowest degree of protection	Announcements and bulletins to employees, acknowledgments and routine telephone/e-mail messages

Normally, records are used and retained because they have administrative, legal, or historical values to a firm. Policy manuals and handbooks have administrative value and provide guidance for employees who represent the business or organization while performing their job duties. Accounting records have administrative value. Contracts and deeds are documents that have legal value to a firm. Meeting minutes have historical value. All these records can be subject to Legal Discovery, which is discussed in Chapter 2. More examples of records and their values and usefulness to an organization are shown in Figure 1.3.

FIGURE 1.3 **Records Value Examples**

VALUE AND RECORDS TYPE	EXAMPLES
Administrative	
Records that help employees perform office operations Fiscal records used to document operating funds and other financial processes	• Policy and procedures manuals/ documents/websites • Handbooks • Organizational charts • Tax returns • Records of financial transactions: purchase and sales orders, invoices, balance sheets, and income statements
Legal	
Records that provide evidence of business transactions	• Contracts • Financial agreements that are legally binding • Deeds to property owned • Articles of incorporation
Historical	
Records that document the organization's operations and major shifts of direction over the years	• Minutes of meetings • Corporate charter • Public relations documents • Information on corporate officers

RECORDS AND INFORMATION LIFE CYCLE

records and information life cycle: the life span of a record as expressed in the five phases of creation, distribution, use, maintenance, and final disposition

The **records and information life cycle** is the life span of a record as expressed in the five phases of creation, distribution, use, maintenance, and final disposition. The phases in the life cycle often overlap. Figure 1.4 shows how this cycle is carried out.

The previous examples of paying your cell phone bill and buying a new car show the records life cycle in action. When you pay your monthly cell phone bill, you create a record of the transaction. The distribution, maintenance, and retention phases would be completed in a year. After a year, these records are no longer needed and can be shredded.

Creation or Receipt

Whenever a letter is produced, an e-mail written, or a form completed either physically or electronically, a record may be created. Records can also be received by e-mail or other means from an outside source.

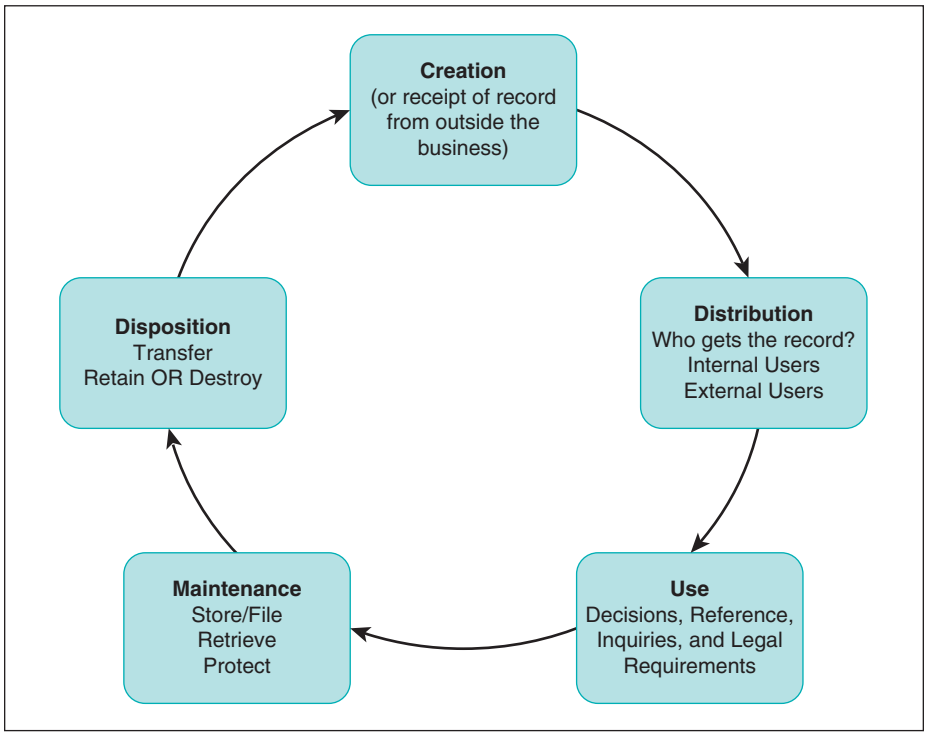
Distribution

This record is then distributed (sent) to the person responsible for its use. Records are commonly used in decision making, for documentation or reference, in answering inquiries, or in satisfying legal requirements.

Retention (Use and Maintenance)

When a decision is made to keep the record for use at a later date, it must be stored, retrieved, and protected—three key steps in the maintenance of physical

FIGURE 1.4 **Records and Information Cycle**



or electronic records. During this phase, the records must be stored (filed), which involves preparing and placing records into their proper storage place—a filing cabinet or a folder on a computer system. After a record is stored, a request may be made to retrieve it (find and remove a physical record from storage or open an electronic file and look up the information). When the retrieved record is no longer needed for active use, it may be re-stored and protected, using appropriate equipment, environmental, and human controls to ensure the record's security. Also involved in the maintenance phase are activities such as updating stored information and discarding obsolete physical or electronic records that are no longer useful or that have been replaced by more current ones.

Electronic records are usually stored or saved on the organization's servers or in the cloud and are backed up on a daily, weekly, or monthly basis. Vital and important electronic records can also be maintained as physical records.

Disposition

When are records sent to the archives?

The last phase in the records and information life cycle is disposition. After a predetermined period of time has elapsed, records to be kept are transferred to less-expensive storage sites within the firm or to an external records storage facility. At the end of the number of years indicated in the retention schedule, the records are disposed of, either by destruction or by transfer to a permanent storage place. Facilities where records of an organization are preserved because of their continuing or historical value are called archives. The records retention schedule is discussed in detail in Chapter 7.

The records and information life cycle is an important concept for you to understand. It shows, for example, that filing and/or storing is only one part of records and information management. Many interrelated parts must work together for an effective records and information management program.