

## **INTRODUCTION**

Records are indispensable in the efficient and economical operation of state government. They serve as the memory; they are the evidence of past events and the basis for future actions. When created, maintained and disposed of in a systematic and orderly fashion, records are a tremendous asset. However, when records are created, maintained and disposed of in a haphazard and disorderly manner, they reduce the effectiveness of an organization and increase its costs substantially.

## **BASIC STEPS IN A RECORDS MANAGEMENT PROGRAM**

The basic steps in implementing a records management program are:

- Inventory
- Appraisal
- Scheduling

## **THE RECORDS INVENTORY**

The first step in developing an effective records management program is to inventory all records and non-records within the agency. Until this is done there can be no realistic program. This inventory should include materials in the office, on computers, as well as in storage. Through a good records inventory an agency will be able to:

1. Discover what record and non-record materials exist;
2. Provide a list of where records are located and stored;
3. Determine if information is duplicated in different types of records, and
4. Estimate the effects and costs of existing records management techniques.

## **PLANNING THE INVENTORY**

Taking an inventory of all records within an agency can be a formidable task. However, good planning and organization can make the task easier. A good plan for a records inventory should answer such questions as:

1. Who will conduct the inventory?
2. What training is needed to conduct it?
3. When will it start?
4. In what sequence will office, computers and storage be inventoried?
5. What information is needed concerning the various records series?
6. How will this information be compiled and organized?
7. When should the inventory be completed?

It is important for the persons chosen to conduct a records inventory to be able to distinguish between record and non-record material. Generally speaking, all records created and maintained by the state of Montana are "public records" and

as such remain the property of the state. **A public record, as defined by statute (Section 2-6-202, M.C.A.), "includes any paper, correspondence, form, book, photograph, microfilm, magnetic tape, computer storage media, map, drawing or other document, including all copies thereof, regardless of physical form or characteristics, that has been made or received by a state agency in connection with the transaction of official business and preserved for informational value or as evidence of a transaction and all other records or documents required by law to be filed with or kept by an agency of the State of Montana."**

Although this is a comprehensive definition of records there still exists in every office non-record material that should never be filed in a filing system. Drawing a distinction between record and non-record material can often be difficult, however there are certain items that can be discarded immediately after they have served their purpose. For example: telephone messages, routing slips, preliminary drafts, etc. For a detailed listing of non-record material refer to General Record Retention Schedule number nine (9). If it is not clear whether material is record or non-record material, the Records Management Bureau can assist in making this determination.

## **TAKING THE INVENTORY**

Probably the best place to begin a records inventory is right in your own office. These records are usually most easily identified, and the people who work with them are on hand to offer advice. If office records are inventoried first, the inventory of records on computer and in storage should be easier and the chance of making an identification error should be lessened. Generally, it is a good practice to start out at one end of a room and go through each piece of filing equipment one at a time. It may be helpful to draw a floor plan of the office area indicating the physical location of all records. Numbering file cabinets (or other equipment) might also serve to organize the inventory. To assist in completing the inventory and for later retention schedule approval, the agency should use the Records Series Profile Form RM-1, available from Property and Supply Bureau or on-line from the Records Management Bureau. Instructions for using this form are on the reverse side.

The person conducting the inventory should also be familiar with the agency's structure and operation. An agency personnel directory, organizational chart, and statement of function may be useful.

## **RECORDS APPRAISAL AND SCHEDULING**

Once the inventory has been taken, a determination of how long the records should be kept (retention period) and what to do with them once their usefulness is gone (disposition) can be made. To do this, the immediate and future usefulness of the records should be ascertained. By applying certain values to each record series and by considering the purpose and use of each, evaluation for

a realistic retention and disposal program can be simplified. Generally speaking, only records which require frequent reference should be retained in the office. When reference is infrequent, the records can be placed in inactive storage at the State Records Center. If they must be kept permanently, they can be placed in the State Archives.

## **THE APPRAISAL**

In general, there are a number of values to consider before a retention period and disposition can be decided for a record series. Records should be appraised for their administrative, legal, fiscal, and historical value, as outlined below.

**Administrative:** Most records are created as administrative tools to help accomplish the functions for which an agency was established, and as such, these records have administrative value during their current usefulness. This administrative value must take into consideration the need for records in performing current work as well as in performing future work. However, in most cases the primary administrative value of the records will be exhausted when the transactions to which they relate are completed. It may be helpful to ask the following questions about the records in determining administrative value:

- 1) Is the record series still being created?
- 2) Is the record series important in the operation of an agency program?
- 3) For what program are the records being maintained?
- 4) Would this program be curtailed with the disposal of the records?
- 5) How frequently are the records referenced?
- 6) How important are the references?

In general, most records have some form of administrative value, whether it be long or short. An agency must decide this.

**Legal:** If a record contains evidence of legally enforceable rights or obligations of the government, then it probably has legal value. Among records having legal value are those showing the basis for action (legal decisions, opinions); financial and other documents representing legal agreements (leases, titles, contracts); and records of actions taken in a particular case (claims, dockets). In addition, a record can be judged for its legal value by considering the following:

- Specific statutes in the Revised Codes of Montana or the
- Code of Federal Regulations (published in the Federal Register).
- The protection of the rights of all citizens.
- The protection of the rights of business within the State.
- The protection of the rights of the State
- The use of the records in current or recent court cases.

The legal value of a record will often be evident from its title, such as: contracts, purchase orders, leases, titles, deeds, birth certificates, licenses, corporation charters, some personnel records and certain medical records.

**Fiscal:** Every agency maintains records for the administration of its financial obligations. Records such as budgets, ledgers, allotments, payrolls, vouchers, warrants, encumbrances, would then have fiscal value. If the records pertain to:

- the receipt of funds,
- the transfer of funds,
- the payment of funds,
- the adjustment of funds, or
- the encumbrance of funds,

then they can be said to have fiscal value. Also, any document needed for fiscal audits would most certainly have fiscal value.

**Historical:** Even though records may have lost their administrative, legal, and fiscal value, it is possible that the records still have historical or documentation value, and for this reason should be retained. Records that contain authentic evidence of an agency's organization, function, policies, decisions, procedures, operations, or other activities have some historical value. These records usually show an agency's origin, its administrative development and its present organizational structure. This type of information may be found in policy records, organizational documents, memos, correspondence or reports. Each agency should appraise its records from the standpoint of **agency** historical value; however, the State Archivist (Montana Historical Society) should be consulted before such a decision is made. Those records that have been labeled as "historical" records and are not used in the agency's day-to-day operations should be transferred to the State Archives.

## **RETENTION SCHEDULES**

Upon completion of the records inventory and appraisal, the challenging task of determining retention periods begins. Information gathered through the inventory and appraisal serves as the basis for records retention schedules. An indiscriminate policy of keeping records without a critical and objective determination of how long records really need to be kept, can result in using office or storage space for maintenance of obsolete and useless records.

Before setting retention periods for records, an agency should check the General Records Retention Schedules published by the State Records Committee on the Internet at

**[http://www.state.mt.us/sos/Records\\_Management/records\\_management.htm](http://www.state.mt.us/sos/Records_Management/records_management.htm)**.

This schedule sets forth retention periods for many records common throughout state government and many of an agency's records may already be covered by the General Schedules. For those records within an agency that are not listed in the

General Schedules, retention periods must be designated by the agency and approved by the State Records Committee. The General Schedules will serve as a model for people unfamiliar with determining retention periods for records.

The records to be scheduled should be listed on the Records Retention Schedule Modification/Creation Form RM-3, and each listed item should be fully described on a separate Records Series Profile Form RM-1, normally completed during the inventory. The completed forms should then be sent to the Records Management Bureau for circulation to the State Records Committee. Once the retention schedule is approved by the Committee, the retention periods will be legally binding. One copy of the schedule will be returned to the agency, and a central copy will be kept at the Records Management Bureau.

Records are created primarily to accomplish actions, to report or record them, or to pass on information. Determining how long records are needed for these purposes should not be difficult. An appraisal of records (as discussed earlier) should help in determining how long records are to be kept, and what is to be done with them once they have outlived their usefulness.

In summary, it is important to keep in mind that too many records cause inefficiency and increase the cost of office operations. Though there may be instances where an agency becomes so enthusiastic about freeing office space that they discard records too soon. Most agencies tend to exaggerate the value of records and the frequency of reference to them, and thereby end up keeping some records too long. Records should be kept for as long as they are **needed** and not for as long as they are **wanted**. And finally, remember that even the very best of records retention schedules is **useless** if it is not systematically applied to all records listed.

## **APPLICATION OF GENERAL RECORDS RETENTION SCHEDULES**

General Schedules establish retention periods for records series and specific forms commonly used by all State agencies. These schedules will provide the necessary guidelines for disposing the records listed and the retention periods will also be applicable to all records series previously established to perform the same function as those shown on these General Schedules. In the event of a conflict between these General Schedules and any Federal retention requirement, the longer retention period shall apply.

## **VITAL RECORDS**

By applying the procedure contained in this manual, an effective records management program can be implemented and a determination of truly vital records can be made. The determination of these vital records and their absolute security is one of the primary objective of a good records management program.

The basic steps of records management program - inventory, appraisal, scheduling - which allow for the removal of worthless documents and non-record material, will also help in the determination of vital records. In identifying vital records an agency must decide whether the records would be needed after a disaster in reconstructing the function and operation of that agency. Therefore, vital records are those documents necessary for:

- The continuation and/or reconstruction of the agency operation.
- The reconstruction of the financial and legal status of the agency.
- The fulfillment of financial obligations to employees and outside interests.
- When making the decision on vital records, these questions should also be asked: If a particular record disappeared, what would be the effect on business?
- What effect would the destruction of records have on the general public interest?
- Would the loss of these records hinder the recovery of monies needed to replace buildings and equipment? What delays would occur in production, sales, and services? What difficulties would occur in replacing records destroyed by fire or flood?

## **EMERGENCY RECORDS**

The following are general categories of the most common types of records that may be necessary for emergency operations:

- Statement, plans and procedures of agency responsibilities in an emergency.
- Statement of delegation of authority and succession of command.
- Predrafted regulations or announcements to be issued at the onset of an emergency.
- Information on the location of emergency records.
- Basic legislation and regulations affecting the activities of an agency.
- Records of the location of supplies essential to the agency during an emergency situation.

## **RECORDS FOR RE-ESTABLISHING NORMAL OPERATIONS**

The following types of records are those generally required to re-establish normal operations:

- Minutes of the governing authority.
- Summaries of financial status.
- Records of amounts of money owed to and by the agency.
- Current payrolls and contracts.
- Files documenting principal policies, legal status and procedures.
- Current list of officials.
- Records of citizen's rights and interests (land, tax, and court records).

## **PROTECTING VITAL RECORDS**

Once vital records have been identified, decisions must be made on the methods to be used in protecting these records. There are a number of options available depending upon the volume of the records and their importance:

- 1) Natural Dispersal - Routinely distributing additional record copies outside the agency. Retention periods of distributed copies may be adequate to provide basic copy backup.
- 2) Planned Dispersal - Utilizing existing generated copies specifically for essential records purposes. These copies are sent to one or more selected office for essential record storage.
- 3) Security Copies - Several methods exist for providing security copies of vital records. Records must be examined in terms of frequency of use, required formats, copy costs and storage costs. Based on this examination, one of the following methods will usually prove adequate:
  - Making paper duplicates.
  - Microfilming records.
  - Putting the information on magnetic tapes.
- 4) On-Site Security Storage - On-site storage of vital records eliminates most of the logistical problems inherent in dispersing copies and is most practicable for records requiring frequent updating. This may mean that more care will be required in using records; files will have to be locked, access to these records may be limited, and in some cases a fireproof vault may be required.

While it is probably impossible to protect all vital records, in the event of a disaster, every effort should be made to develop an effective plan within budgetary and personnel limitations of an agency. In the final analysis, the protection of vital records will be most effective when it is an integral part of a comprehensive records management program.

## **RECORDS DISPOSAL**

Even though the General Schedules make it more convenient to determine the usefulness of records after a given amount of time, it will still be necessary to submit a Records Disposal Request, form RM-5. When filling out the Disposal Request, be sure to indicate in the appropriate columns the General Schedule Number and Item Number, and the Records Series Title as listed on the General Schedule. For example:

GS 7      Item 3      Records Service Request

(See our Web Site at  
[http://www.state.mt.us/sos/Records\\_Management/records\\_management.html](http://www.state.mt.us/sos/Records_Management/records_management.html)  
for further details.)

## **PRIOR AUTHORIZATION FOR RECORDS DISPOSAL**

Certain records simultaneously exist in various formats: computer tape, microfiche and paper copy. In some cases the paper copy may be of limited value, therefore, the Committee considers it unnecessary for the agency to submit a Records Disposal Request to destroy the paper copy of the following records:

Non-Record Material, GS 9, Items 1 through 9.

This prior authorization for records disposal, given by the State Records Committee at this time, applies only to those specific records indicated above.

## **RETENTION PERIODS**

While there are some records series that are kept on a calendar year basis, the majority of records within the State government are kept by a fiscal year. It is therefore required that all retention periods be figured on the fiscal year in which the records were created. Adoption of this standard method will eliminate the confusion of using two (2) retention systems. Applying the fiscal retention system to records created by FY 1993, therefore, with a retention of four (4) years, means that the records may be disposed of July 1, 1997.

FY 1973 ends June 30, 1993  
+ 4  
End of retention period is June 30, 1997

Note: The current year is not included in calculating the retention period. Always figure the retention period as current year plus the given retention.

For those records series which an agency may be filing on a calendar year basis, the retention period will be extended six (6) months to accommodate an orderly disposition procedure.

For more information about the Records Management Bureau and the services available, please call 444-9000.