

**Contracting an Information Services Agency to Develop, Implement
and Maintain a Records Management Program**

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ABSTRACT

New federal laws have heightened the need for companies to establish records management programs. Companies must dedicate staff to the development, implementation and maintenance of their records management programs. Contracting an information services agency to complete the work will establish the program at a lower cost. I am a contract librarian with an information services agency holding a Master's degree in Library and Information Services.

INTRODUCTION

Background

Why Build a Records Management Program

Changes in federal laws concerning the retention of business records has put a spotlight on the need for developing policies to manage this area of an enterprise. The increase in litigation has also contributed to this need. Many companies rely on sparsely formed records policies and loose delegation of records responsibilities to a variety of staff members. This methodology often proves to be faulty because job descriptions are not revised to include records management duties and so employees can easily deny accountability when problems arise. When faced with litigation and compliance with federal regulations such as the Sarbanes-Oxley Act of 2002, a company's failure to have staff dedicated to managing its records can lead to serious legal troubles.

A records information management program will rectify problems posed by litigation and non-compliance with federal and local laws regarding records retention. Developing an in-house records management program will involve recruitment and training and the added expense of dealing with turnover rates. Contracting a company that specializes in records management design, development, and implementation will lower costs, save time, and insure the availability of trained professionals to maintain company records.

Problem

Failed Corporate Recordkeeping

There have always been state and federal rules regarding the retention and destruction of records produced by businesses. However, the inappropriate destruction of records by infamous companies such as ENRON Corporation and its accounting firm, Arthur Andersen, resulted in a stricter federal law being passed to dissuade such behavior in the future. Today, companies that fail to implement a records management program may be in violation of the Sarbanes-Oxley Act of 2002. Sarbanes-Oxley ushered in new records retention regulations and added penalties more severe than former records specific laws. “Under the Sarbanes-Oxley Act, the government can bring charges of obstruction of justice if a company destroys potentially relevant records before a subpoena is issued. Violations are punishable by a fine and up to 20 years in prison” (ARMA International, 2008, p. 4).

In addition to assuring compliance with federal regulations, a records management program will protect an organization in the event of litigation. This becomes an even greater point to focus on when electronic records are considered. E-mail, voice and text messages are all considered company records, but this is not often made clear by a company’s senior management. According to HR Focus (2008) only “...21% of organizations [have] given employees a formal definition of “electronic business records.” Since, as the article emphasizes, all records produced by a business can be subpoenaed, it is crucial that all members of an organization clearly understand how records should be managed and eventually destroyed. A solid records management program can make this happen.

Purpose

Program Recommendations

The purpose of this report is two-fold: to recommend the development of a records management program and to argue that the program should be established and run by an outside information services agency as opposed to in-house staff. A records management program will keep the company compliant with state and federal regulations. If the program is contracted out, there will be the added benefit of achieving the goals of a records management program without the costs associated with recruitment, hiring, training new, permanent employees.

DISCUSSION

Research

Database Searches

The search for material written on records management involved using the Business Source Elite database. The initial keyword search was “records management.” This strategy produced a limited number of results. However, a review of the abstracts that did meet the search criteria produced information on specific laws associated with records management; such as the Sarbanes-Oxley Act of 2002. A search for “Sarbanes-Oxley Act” produced a larger range of results that included discussions on implementing records management programs, handling litigation, and dealing with electronic documents. The articles were chosen from business journals in order to remain compliant with the premise of the proposal.

Additional information about records management was derived from an e-mail interview with an experienced records manager who has worked as a contractor with an information services agency for several years.

Articles

Review of the Literature

One of the first articles retrieved from the initial search was “The Why and How of International Records Retention.” In this article, Stephens (2005) discusses the differences associated with creating records retention policies for the international, as opposed to the domestic, arm of a corporation. Records management is concisely defined. The components for researching a retention policy are presented. Stephens also addresses the legal ramifications of records management, including required time-frames for keeping documents. He also reviews four areas of consideration that are important to the development of a retention policy: general contracts, taxation, product liability and personal injury. While little information was ultimately taken from this article, it did provide keywords that were used in later searches.

Brumm & Carlise’s (2005) article from *Information Management Journal*, “Standards: Building Blocks for a Strong RIM Program,” discusses the use of ISO 15489 and ANSI/ARMA standards to develop records retention policies for corporations. The authors provide examples of the material found in the standards, including the program elements that can be used to create a retention schedule. Additionally, the authors explain how the standards can be used to develop procedures, related job descriptions, and the implementation of a records management system. This article was helpful in that it painted a picture of how broad an impact a records management program has on an organization.

“Evolving the Records Management Culture: From Ad Hoc to Adherence” (Daum, 2007), also reported on the influence a record management program can have in business. Daum discusses the need for a solid records retention program in a corporate arena. The author stresses

the importance of enterprise-wide compliance with records policies and procedures during development and implementation of the program. Training on each level of a company, from senior managers to exempt groups, is outlined. The article states that the successful implementation of a new records management program centers on the approval and support of top-level management. The author goes further by insisting that all play a significant role in managing a company's documents: "Because all employees create, maintain, and use electronic and paper-based records, the policy does apply to each employee (Daum, 2007, p. 43)."

This article was helpful in solidifying the importance of records management to all parts of an organization, which, along with the penalties associated with non-compliance, could be influential in getting a program established. Table 1 illustrates the role each segment of an organization plays in the development and on-going maintenance of a successful records management program based on Daum's article.

Table 1 Group Responsibilities in Records Management

Organization Departments	Responsibilities
Senior/Executive Staff	Collect information on the purpose and benefit of the program. Senior staff members are essential to encouraging acceptance of the records management program enterprise-wide.
Managers	Control the components of records destruction and termination of the destruction of records when necessary.
Records Management Staff	Execute the records management program by retaining, storing, retrieving, and destroying records based on the established policies and procedures.
Other Staff	Main producers of an organization's records.

Derived from Daum's article, "Evolving the Records Management Culture: From Ad Hoc to Adherence," Table 1 illustrates how all employees contribute to the production, retention, storage, and destruction of company records.

ARMA International, a professional organization for records managers, authored "Information Management: A Business Imperative." This article also explains the importance of a recorded information management (RIM) program in an organization. "RIM professionals identify laws and regulations that apply to specific types of corporate records (ARMA International, 2008, p. 10)." The author summarizes the impact of the Sarbanes-Oxley Act of 2002 on the retention of corporate records and the penalties associated with non-compliance. This informative article includes the components of an RIM program: a written policy, retention procedures and assessment. The article also reports on the benefits of RIM professionals to a company's bottom line, compliant recordkeeping, pre-trial discovery, and monitoring and auditing.

Interview

An Expert's Opinion

Rosa Dickens is a librarian and records manager for Cadence Group, an agency that provides library and records management services for a variety of companies in the legal, medical, business, and government fields. Ms. Dickens has a Master's degree in Library and Information Science and has been a certified Archivist since 1989. She also has twelve years of experience as a records manager.

When working with an organization to develop a records management program, Ms. Dickens gathers information to determine the client's needs. "First and foremost would be interviewing the stakeholders and those responsible for the creation of company records to

determine where they are in the process of establishing a records management program. Next would be an inventory of the divisions/departments to determine what kinds of records are being created and how they are being used within the company.”

With the passing of laws such as the Sarbanes-Oxley Act of 2002 (SOX), knowing where a company stands with its current records management policies is important. Ms. Dickens points out that records management programs must comply with federal laws and regulations such as SOX and the Health Insurance Portability and Accountability Act (HIPPA).

“Sarbanes-Oxley made corporations realize the importance of a sound records management program with established policies and procedures in place [and] retention schedules that were applied to records created and maintained by the company. Those retention schedules, policies and procedures are governed by certain federal, state and local regulations by which the corporation must be in compliance. Before SOX, corporations had lax or non-existent records management programs and records were disposed of haphazardly. HIPPA ushered in a new era of privacy and security. Regulations have been put into effect to protect the privacy and security of information such as patient or client information.”

Records policies created by Cadence Group involve active and inactive documents as well as disaster plans. According to Ms. Dickens, who has serviced McDermott International, Inc. and the United States Environmental Protection Agency, Region 4 in Atlanta, Georgia, one of the challenges records managers face when working with a company include getting upper management and staff involved with developing, supporting, and implementing a records management program. Training is another area where problems can arise, as it can be difficult to convince staff of the reasons why they should take part in these sessions.

“Also, doing frequent audits of the program, at least annually, to assure that the program is being followed to the letter [is important].”

Ms. Dickens stated that previously reviewed records should be re-examined during audits to determine if updates of the retention schedules are needed and to confirm compliance with federal and state regulations.

When asked why a company should hire an agency like Cadence Group to develop a records management program, Ms. Dickens stated, “There could be several reasons, one of which is the experience and know-how of the Cadence Group records management team. Cadence has pulled together a team of well qualified and established, internationally, records management professionals, many with CRMs (certified records managers), that can cover every aspect of present day records management fields such as IT, imaging, electronic records—including email—scanning, policy and standards, retention schedule development, assessment and inventorying.”

CONCLUSION

Solution

“Records retention policies and procedures must be regularly and fully implemented by corporate business units (ARMA International, 2008, p. 11).” To assure compliance with state and federal recordkeeping laws and to be properly prepared for future threats of litigation, a records management program should be established. As the above research suggests, records management involves all members of an organization from the most senior executive to the newest entry-level employee.

A solid records management program can be developed in-house over time. This will involve a period of recruitment, hiring, and training. There is also the issue of the expense involved with staff turnover. Once a staff is in place, policies will need to be developed, which will require that the new staff become familiar with the organization and the particular laws with which the company must remain compliant. In contrast, hiring an agency that specializes in creating records management programs will eliminate the many of these issues. The agency will supply trained professionals who can develop the program using their expertise and staff the program in a much shorter time. Additionally, turnover is not a problem as the agency will be required to provide staff based on the terms of its contract with the company. Table 2 illustrates the differences in a budget for in-house vs. contract records management staff.

The information agency will also provide quarterly audits of the records management program to assure that procedures and policies are being followed and to verify that the recordkeeping system remains in compliance with relevant laws and regulations.

Table 2 Records Management Program Staffing Expenses Compared

Budget Comparisons: In-house vs. Contract Staff		
<i>Total Staffing Budget: 250,000/annual</i>		
Expenses	In-house (Amounts includes salary, benefit package and training costs annually.)	Contract (Amounts includes sub-contractor salaries and agency fees.)
Certified Records Manager 1=37.5 hours/week	\$98, 000	\$68,000
Records Technician III 1=37.5 hours/week	60, 000	48,000
Records Technician II 1=37.5 hours/week 1=25 hours/week	52, 000	40,000
Records Technician I 2=25 hours/week	40, 000	32,000
	250,000	188,000
	Annual savings	\$62,000

Table 2 compares the costs associated with hiring an in-house vs. a contract records management staff based on an annual budget of \$250,000. The table suggests the organization should expect a 24percent savings if sub-contractors are hired.

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