

# INFORMATION REQUIREMENTS CLEARINGHOUSE

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## Law, Records and Information Management Questions and Answers

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The *Skupsky Retention Method* is the method for preparing a records retention schedule developed by Donald S. Skupsky, JD, CRM, Information Requirements Clearinghouse, Denver, Colorado.

The *Skupsky Retention Method* includes the same components found in traditional records retention programs. It differs more in the process than the appearance.

### THE COMPONENTS OF A RECORDS RETENTION PROGRAM

Records retention programs generally consist of the method for determining retention periods, the records retention schedule and the records retention procedures.

#### The Method for Determining Retention Periods

The best retention programs incorporate methods for determining legal, user (or operational), or other retention periods for records. Most incomplete or defective records programs only specify one retention period -- the total retention.

Legal retention periods represent the period you keep records for legal reasons. User retention periods represent the period record users need records to do their jobs. Other retention periods, such as historical, reflect other values or needs related to records. The total records retention period is the longest of any of these retention periods. Each type of retention period plays an important role in determining the appropriate retention period for your records.

#### The Records Retention Schedule

The records retention schedule is a report identifying the approved retention period for your organization's records. The schedule identifies the "office of record" -- the segment of the organization that maintains the "official" version of the records for the full retention period.

#### Records Retention Procedures

Organization policies and procedures control the development of records retention periods, preparation of the records retention schedules, and implementation of the program. These procedures

ensure that records are maintained for the appropriate periods, meet legal, user and other needs, and are then destroyed.

Legal, tax, records management, executive and department heads review and approve the retention schedule and procedures. Records management then distributes copies of the retention schedule and procedures for implementation.

This material is derived from the book *Recordkeeping Requirements* by Donald Skupsky and details the procedures for determining the retention periods, developing the retention schedule and establishing the retention procedures.

## **THE TRADITIONAL RETENTION PROGRAM**

The traditional records retention approach features a detailed records retention schedule containing hundreds or thousands of entries. You normally determine the retention period for each entry independently.

The traditional approach has the following inherent disadvantages:

- Records retention schedules often identify records by title instead of record series -- a group of similar or related records, used or filed as a unit. A typical, traditional retention schedule might contain a listing of over 1,000 records and their associated retention periods.
- Retention periods generally cannot be determined unless you specify the precise record title. Similar records may be identified by different titles.
- Retention periods for similar titles may have different retention periods.
- Retention schedules provide information primarily by department and record titles. The retention schedules must be revised each time the organization reorganizes. Since some organizations reorganize quite frequently, the retention schedule may constantly need revision.
- Program development and maintenance is extremely time consuming due to the large number of record titles.
- Assignment of legal citations by record type is time consuming, cumbersome and inaccurate.
- Even when the preparer attempts to perform legal research, the program cannot adequately display this information.

Some records managers, particularly in the government sector, refer to this traditional type of records retention schedule as a "detailed schedule." Because it is detailed, it is harder to use, less accurate, and more difficult to maintain than our new approach.

## **THE NEW PHILOSOPHY**

The *Skupsky Retention Method* offers a unique way to organize and apply information to determine the records retention periods. The method is surprisingly simple, but accurate! By relating large numbers of laws and grouping large numbers of records, you can confidently determine the appropriate

retention periods for your records. Most traditional approaches to records retention produce inaccurate results. The *Skupsky Retention Method* follows the "80/20 rule" to produce more consistent, accurate results.

The 80/20 rule can be characterized as follows: you will spend about 20% of the time to perform 80% of the work, and the remaining 80% of the time to do the remaining 20% of the work. As a corollary, you will spend about 20% of the time to make something 80% accurate and the remaining 80% of the time to make it the remaining 20% accurate. These estimates of time requirements and accuracy relate extremely well to the new retention concept.

The *Skupsky Retention Method* eliminates many problems found in traditional retention programs. Because each functional category encompasses a large number of functionally related records in one category, the chances of making errors are extremely small. The new retention program could conceivably be 80% complete and 80% accurate while spending 20% of the time you would spend preparing and updating a traditional retention schedule. The remaining 80% of your time and energy can be spent dealing with specific complex retention issues and carefully considered exceptions.

While organizations strive to make their records retention programs 100% complete and accurate, few even come close. The *Skupsky Retention Method* brings you closer to that goal.

## THE FILES

The *Skupsky Retention Method* uses the interrelationship of four files or reports:

- **The Legal Research Index.** This is a file or report identifying the laws considered for retention purposes and organized by legal group code and subject.
- **The Legal Group Index.** This is a file or report that groups or categorizes related laws for retention purposes. Rather than applying many tax laws to your records, for example, you only apply one legal group. The legal group specifies a retention period that reflects the legal retention periods for the laws assigned to the group. You assign each legal group a legal group code.
- **The Records Retention Schedule.** This is a file or report that groups related records into categories. Each category reflects either an appropriate grouping of records for retention purposes or a functional activity performed by the organization. Some may view these categories as very large record series. Others refer to the schedule as a "Functional Records Retention Schedule." Each retention category includes a retention code, description of the records covered; the legal, user, other, and total retention periods; the office of record designation and the retention period for copies.  
You assign the appropriate legal group code from the Legal Group Index to each retention category. You then transfer the legal retention period for that legal group code to the Records Retention Schedule.

- **The Records Listing With Retention Periods** . This is a file or report of your records or record series with the related records retention periods. The report looks like a traditional, detailed retention schedule, but you produce it by a totally different method.

Note: You assign a retention code from the Records Retention Schedule to each record or record series. You then transfer the retention period for that retention category to the Records Listing.

## THE STEP-BY-STEP PROCESS

This methodology incorporates seven steps for developing a records retention program:

1. **The Preliminary Procedures**. Before you can develop the retention schedule, you must first complete the specified preliminary procedures. Obtain appropriate approval and support for the program from at least your chief executive officer, administrative department, tax department and legal department. Then undertake an inventory to determine what records your organization maintains. Finally, determine the structure of your organization, the scope of activities, the states in which you do business, and the agencies that regulate your activities.
2. **The Legal Research**. Based upon the information obtained during the preliminary procedures, you research the laws that apply to your organization's records. Prepare copies of these laws for both your review and the review by your legal counsel.
3. **The Legal Research Index**. You extract key information from the relevant laws in the Legal Research Index. Information from this index is easier to review than the full text of the laws. The information also facilitates the creation of the legal groups.
4. **The Legal Group Index**. You will generally identify hundreds of laws that affect your records retention. Instead of referring to each of these laws individually, assign them to legal groups or categories. Assign all related laws to the same legal group. You then determine a legal retention period to represent each group. Use the legal groups for assigning the legal retention periods to the Records Retention Schedule.
5. **The Records Retention Schedule**. You can now develop the retention schedule. Identify the functional retention categories that correspond to the record series from the records inventory. Normally, you will need less than 100 categories -- 50 to 70 may be sufficient. Prepare definitions explaining the types of record series that would be covered by each category. Determine the initial user retention periods based upon your knowledge of how people use the records. Record users will later review your retention periods to determine whether they meet their needs. You can determine other retention periods at this time. Next assign the appropriate legal group to the functional retention category. You are essentially indicating that records covered by the function retention category are controlled by the laws represented by the legal group. The legal retention period previously determined for the legal group will then become the legal retention period of the functional retention category. The total retention category is longest of the legal, user or other retention periods. You finally determine which department or office will be responsible for maintaining the official records for this total retention period. All other groups maintain records for the retention period stated for copies.

6. **The User Records With Retention Periods.** You now assign one of these functional retention categories from the records retention schedule to each record listed in your inventory. The records retention period for that functional retention category also becomes the records retention period for the record series. You can then produce a complete report of your record series with the appropriate records retention periods.
7. **The Concluding Procedures.** You now revise the retention files and reports. Develop procedures covering destruction of records, retention of records retention documentation, revision of the retention program, training, and other implementation issues. Distribute copies of the records retention schedules and procedures for review and revision. Prepare the final records retention manual.

Obtain approval for the entire records retention program from legal counsel, tax, the chief executive officer and other designated individuals.

IRCH consulting services and retention software help you implement this approach for your retention schedule and goals.