Professional Fiduciaries Bureau
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Professional Fiduciaries Bureau
Advisory Committee Meeting

Department of Consumer Affairs
2005 Evergreen Street, 1st Floor, Lake Tahoe Room
Sacramento, CA 95815
Thursday, April 21, 2011
9:30 a.m. – 12:30 p.m.
Webcast

Professional Fiduciaries Bureau Workshop
April 21, 2011
1:30 pm – 3:30 pm

The following workshop is scheduled to discuss and receive input from the fiduciary industry on the following regulatory proposals:

1) Advertising
2) Record keeping and retention of records

Notice: The meeting is accessible to the physically disabled. A person who needs disability-related accommodations or modifications in order to participate in the meeting shall make a request no later than five working days before the meeting to the Bureau by contacting Gil DeLuna at (916) 574-7754 or sending a written request to that person at the Professional Fiduciaries Bureau, 1625 North Market Blvd., Ste. S-202, Sacramento, California 95834. Requests for further information should be directed to Mr. DeLuna at the same address and telephone number.

STATE OF CALIFORNIA
dca
DEPARTMENT OF CONSUMER AFFAIRS

STATE AND CONSUMER SERVICES AGENCY • EDMUND G. BROWN JR., GOVERNOR

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MEMORANDUM

DATE	April 21, 2011
TO	Advisory Committee Members Professional Fiduciaries Bureau
FROM	Gil DeLuna, Acting Chief
SUBJECT	Regulations Workshop on Advertising and Record Keeping/Retention Regulations

The Professional Fiduciaries Bureau is conducting a workshop to discuss two topics; (1) advertising regulations; and (2) record retention and record keeping requirements

The first topic is a review of the proposed advertising regulation **(see attachment 1)**

The second topic is a discussion on proposed regulations for record retention and record keeping requirements.

B & P Code Section 6560 states, "A licensee shall keep complete and accurate records of client accounts, and shall make those records available for audit by the bureau." **(see attachment 2 & 3)**

Attachment #1

DRAFT: 04/14/2011

PROFESSIONAL FIDUCIARIES BUREAU
(Division 41, Title 16, California Code of Regulations)

Proposed Regulations

Article 1. General Provisions

§ 4400. Introduction.

These regulations are adopted by the Professional Fiduciaries Bureau to implement and make specific the provisions of the Professional Fiduciaries Act, commencing with Section 6500 of the Business and Professions Code.

NOTE: Authority cited: Section 6517, Business and Professions Code. Reference: Sections 6500 and 6510, Business and Professions Code.

§ 4402. Mailing Address of Bureau.

The mailing address of the Professional Fiduciaries Bureau is P.O. Box 989007, West Sacramento, CA 95798-9007.

NOTE: Authority cited: Section 6517, Business and Professions Code. Reference: Sections 6500 and 6510, Business and Professions Code.

§ 4404. Filing of Address of Record.

Each licensee shall have on file with the Bureau his or her correct street addresses, which shall include a physical business and residence address. In addition, each licensee shall designate an address of record that shall be public information, which may consist of a post office box number or other viable mailing address. Each licensee shall within fifteen (15) business days notify the Bureau in writing of any changes in his or her street or mailing addresses, giving both the old and new addresses and any changes.

NOTE: Authority cited: Sections 136 and 6517, Business and Professions Code. Reference: Sections 136, 6510 and 6534, Business and Professions Code.

§ 4406. Definitions.

For the purpose of the regulations contained in this division, the term:

(a) "Act" means the provisions of the Professional Fiduciaries Act, Chapter 6 (commencing with Section 6500) of Division 3 of the Business and Professions Code.

(b) "Bureau" means the Professional Fiduciaries Bureau within the Department of Consumer Affairs, established pursuant to 6510 of the Business and Professions Code.

(c) "Licensee" means a person who is licensed under the Professional Fiduciaries Act, Chapter 6 (commencing with Section 6500) of Division 3 of the Business and Professions Code as a "licensed professional fiduciary" pursuant to Section 6536.

(d) "Consumer," under the Act, means an individual with whom the licensee has established a fiduciary relationship including: a conservatee when the fiduciary is acting as a court-appointed conservator; a ward when the fiduciary is acting as a court-appointed guardian, a principal when the fiduciary is acting under a durable power of attorney, and a beneficiary when the fiduciary is acting as a trustee.

(e) Trustee as a Professional Fiduciary – A person acting as a trustee under the Act is an individual who meets the requirements of paragraph (1) and (2) and shall be licensed as a professional fiduciary unless exempt under the Act.

(1) Licensing applies to the following persons:

(A) An individual acting as trustee for a trust as defined in Section 82 of the Probate Code that includes at least one individual beneficiary, or

(B) An individual, acting on behalf of an entity appointed as trustee, to perform the functions of a trustee for a trust as defined in Section 82 of the Probate Code that includes at least one individual beneficiary.

(2) Number of non-family member trustors applies as follows:

A professional fiduciary as defined in Section 6501, includes a person acting as trustee for more than three people or more than three families or a combination of people and families that totals more than three, at the same time, who are not related to the professional fiduciary by blood, adoption, marriage, or registered domestic partnership, unless excluded under the Act. Trustors shall be counted and neither beneficiaries nor trusts shall be counted.

(f) "Advertising," includes, but is not limited to the following: any card, contract proposal, sign, billboard, lettering on vehicles registered in this or any other state, brochure, pamphlet, circular, newspaper, magazine, airwave or any electronic transmission, and any form of directory under any listing denoting, "professional fiduciary," "conservator," "guardian," "trustee," "agent under durable power of attorney," or any word or words of a similar import or meaning requesting any work for which a license is required by the Professional Fiduciaries Act (the Act).

NOTE: Authority cited: Section 6517, Business and Professions Code. Reference: Sections 6500, 6501, 6502, 6510, and 6530 Business and Professions Code.

Article 4. Code of Ethics

Section 4470. General Principles.

(a) A licensee's fiduciary duties recognized under this Article are based upon the fiduciary relationship established with the consumer as follows:

(1) A licensee's relationship to a conservatee when acting as a court appointed conservator;

(2) A licensee's relationship to a ward when acting as a court appointed guardian;

(3) A licensee's relationship to a principal when acting under a durable power of attorney; and,

(4) A licensee's relationship to a beneficiary when acting as a trustee.

(b) The licensee shall comply with all local, state, and federal laws and regulations, and requirements developed by the courts and the Judicial Council as a minimum guide for the fulfillment of the fiduciary duties recognized under this Article.

(c) The licensee shall protect all rights of the consumer that relate to licensee's fiduciary duties to the consumer.

(d) The licensee shall refrain from representing the consumer in areas outside the scope of legal authority.

(e) The licensee shall seek competent professional advice whenever appropriate for the benefit of the consumer.

NOTE: Authority cited: Sections 6517 and 6520, Business and Professions Code. Section 6520, Business and Professions Code.

Section 4472. Decision Standards.

(a) The provisions under this section apply to those licensed fiduciaries acting in the capacity of a conservator, guardian, or agent under durable power of attorney for health care or for finances.

(b) The licensee shall provide the consumer with every reasonable opportunity to exercise those individual choices that the consumer is capable of exercising.

(c) When the licensee is making decisions on behalf of the consumer, the licensee shall use every reasonable good faith effort to ascertain the desires of the consumer prior to making any decisions, and shall make decisions therefore predicated on the ascertained desires of the consumer, unless doing so would violate the licensee's fiduciary duties to the consumer or impose an unreasonable expense on the estate.

(d) If after every reasonable good faith effort the desires of the consumer cannot be ascertained or if exercising them would violate the licensee's fiduciary duties to the consumer or impose an unreasonable expense on the estate, the licensee shall make decisions that are in the best interest of the consumer.

(e) Decisions made on behalf of the consumer shall take into consideration all known ethnic, religious, social and cultural values of the consumer whenever possible.

NOTE: Authority cited: Sections 6517 and 6520, Business and Professions Code. Section 6520, Business and Professions Code.

Section 4474. Confidentiality.

(a) The licensee shall closely guard against the disclosure of personal information regarding the consumer except when such disclosure is required by law or necessary to protect the best interest of the consumer.

(b) Disclosure of consumer information shall be limited to what is lawful, necessary and relevant to the issue being addressed.

NOTE: Authority cited: Sections 6517 and 6520, Business and Professions Code. Section 6520, Business and Professions Code.

Section 4476. Conflict of Interest.

(a) The licensee shall avoid actual conflicts of interest, and consistent with the licensee's fiduciary duties, shall not engage in any activity where there is the reasonable appearance of a conflict of interest.

(b) The licensee shall not engage in any personal, business, or professional interest or relationship that is or reasonably could be perceived as self-serving or adverse to the best interest of the consumer.

(c) The licensee shall protect the rights of the consumer and the estate against infringement by third parties.

NOTE: Authority cited: Sections 6517 and 6520, Business and Professions Code. Section 6520, Business and Professions Code.

Section 4478. Residential Placement.

(a) The provisions under this section apply to those licensed fiduciaries acting in the capacity of a conservator, guardian, or agent under durable power of attorney for health care.

(b) The licensee shall be informed and aware, and consider the options and alternatives available when establishing the consumer's place of residence.

(c) The licensee shall use every reasonable good faith effort to ascertain the desires of the consumer prior to making any decisions when establishing the consumer's residence, unless doing so would violate the licensee's fiduciary duties to the consumer or impose an unreasonable expense on the estate.

(d) If after every reasonable good faith effort the desires of the cannot be ascertained or if exercising them would violate the licensee's fiduciary duties to the consumer or impose an unreasonable expense on the estate, the licensee shall select the least restrictive and appropriate residence that is available and necessary to meet the needs of the consumer that are in the best interest of the consumer.

(e) The licensee shall not remove the consumer from his or her home or separate the consumer from family and friends unless such removal is appropriate and in the best interest of the consumer.

(f) The licensee shall seek professional evaluations and assessments whenever appropriate to determine whether the current or proposed placement of the consumer represents the least restrictive and appropriate residence that is available and necessary to meet the needs of the consumer that are in the best interest of the consumer.

(g) The licensee shall monitor the placement of the consumer on an on-going basis to ensure its continued appropriateness, and shall make changes whenever necessary that are in the best interest of the consumer.

(h) The licensee shall take all action necessary to protect the consumer from financial and/or physical harm or abuse.

NOTE: Authority cited: Sections 6517 and 6520, Business and Professions Code. Section 6520, Business and Professions Code.

Section 4480. Care, Treatment and Services.

(a) The provisions under this section apply to those licensed fiduciaries acting in the capacity of a conservator, guardian, or agent under durable power of attorney for health care.

(b) The licensee shall protect the personal and pecuniary interests of the consumer.

(c) The licensee shall use every reasonable good faith effort to ascertain the desires of the consumer prior to making any decisions regarding all care, treatment, or services, unless doing so would violate the licensee's fiduciary duties to the consumer or impose an unreasonable expense on the estate.

(d) If after every reasonable good faith effort the desires of the consumer cannot be ascertained or if exercising them would violate the licensee's fiduciary duties to the consumer or impose an unreasonable expense on the estate, the licensee shall make decisions regarding care, treatment, and services that are in the best interest of the consumer.

(e) The licensee shall be cognizant of his or her own limitations of knowledge, and shall seek professional evaluations and assessments whenever appropriate to determine whether the current or proposed care, treatment, and services are appropriate and in the best interest of the consumer.

(f) The licensee shall monitor the care, treatment, and services on an on-going basis to ensure its continued appropriateness, and shall make changes whenever necessary that are in the best interest of the consumer.

NOTE: Authority cited: Sections 6517 and 6520, Business and Professions Code. Section 6520, Business and Professions Code.

Section 4482. Management of the Estate.

(a) The licensee shall protect the assets of the estate.

(b) The licensee shall pursue claims against others when it reasonably appears to be in the best interest of the consumer or the estate to do so.

(c) The licensee shall defend against actions or claims against the estate when it reasonably appears to be in the best interest of the consumer or the estate to do so.

(d) The licensee may incur expenses that are appropriate to the estate, in relation to the assets, overall investment strategy, purpose, and other relevant information and circumstances when investing and managing estate assets.

(e) Consistent with the licensee's fiduciary duties, the licensee shall manage the assets of the estate in the best interest of the consumer.

(f) The licensee shall manage the estate with prudence, care and judgment, maintaining detailed fiduciary records as required by law.

NOTE: Authority cited: Sections 6517 and 6520, Business and Professions Code. Section 6520, Business and Professions Code.

Section 4484. Limitation or Elimination of Fiduciary Powers; Restoration of Capacity; Termination of Fiduciary Relationship.

(a) When appropriate and in the best interest of the conservatee, licensed conservators under the Act shall not oppose and, in appropriate circumstances shall seek, limitations on the licensee's powers or authority to act, elimination of unnecessary or no-longer necessary powers, or termination of the proceeding and restoration of the conservatee's legal capacity.

(b) In all fiduciary relationships subject to the Act, when appropriate and in the best interest of the consumer, the licensee shall take all reasonable steps to facilitate termination of the fiduciary relationship.

(c) In all fiduciary relationships subject to the Act, the licensee shall not oppose or interfere with efforts to terminate the licensee's fiduciary relationship with a consumer for any reason other than as necessary or appropriate to protect or promote the best interest of that consumer.

NOTE: Authority cited: Sections 6517 and 6520, Business and Professions Code. Section 6520, Business and Professions Code.

Section 4485. Advertising

(a) All Professional Fiduciaries licensed by the Bureau to practice in the State of California shall be required to display a current, valid license number when advertising their services.

(b) License numbers shall be displayed prominently and in a way that is clearly legible relative to the size and type of advertising medium being utilized. The font size and style shall be clear, legible, and not obscured by graphics or color schemes.

(c)License numbers shall be displayed in the format, "PF" followed by the individual license number issued by the Bureau to the professional fiduciary whose services are being advertised.

(d) License numbers must be current, valid, and verifiable on the license verification page of the Bureau's Web site.

(e) All advertisements must contain the following language, displayed in a way that is clearly legible relative to the size and type of advertising medium being utilized, using a font size and style that is clear, legible, and not obscured by graphics, or color schemes: "Professional Fiduciaries are regulated by the Professional Fiduciaries Bureau, www.fiduciary.ca.gov."

NOTE: Authority cited: Business and Professions Code Section 6500-6592.Reference: Business and Professions Code Section 149; Business and Professions Code Section 17500

Attachment #2

Records Management
Guidance to
California's Professional Fiduciaries
By
Loretta L. (Lori) Hefner, CLPF, NRG
and
Former Certified Records Manager and Certified Archivist

April 13, 2011

A. GENERAL

Being licensed a professional fiduciary is a public trust. Fiduciaries are permitted to practice because they have studied a body of professional literature, the theories, methods and procedures of being a fiduciary, been tested, undergone a thorough background review, and proven themselves trustworthy to handle another's assets, particularly when that individual cannot manage their affairs themselves.

We provide evidence and accountability for our actions through the proper and adequate documentation of our transactions. The records that Fiduciaries gather, organize, create, use, and dispose of are the bi-product of our undivided loyalty to our clients. While protecting our clients' privacy, we acknowledge that we work in a system of checks and balances and there are those who have a right to review our work, actions and decisions. It is through the review of records that our actions are assessed and judged.

Records management provides a rational basis for making decisions about recorded information and what should be saved and what should be discarded. These decisions are necessary to support the legal, fiscal, administrative, and other needs of the Fiduciary's respective clients, families, constituents, stakeholders, courts and the public at large.

B. RESPONSIBILITIES

1. PFAC Leadership

a. Continues to create an organizational culture that emphasizes PFAC's Code of Ethics, and accountability Fiduciaries have to clients and the public.
b. Appoints and assures that the PFAC Records Management Committee demonstrates leadership, drafts records management policy for PFAC leadership's approval, and provide guidance and training to the membership on records management matters.
c. Issues PFAC Records Management Policies and Procedures in a timely manner.

2. PFAC Records Management Committee

a. Drafts the PFAC Records Management policy and guidance documents for the approval of PFAC leadership.
b. Provides workshops on records management and the life cycle of information created and maintained by California Licensed Professional Fiduciaries (CLPF) and their staff thereby providing instruction and assistance on:

1. Creating efficient and effective active records files management systems
2. Using Records Retention Schedules
3. Establishing best files management practices
4. Transferring and retrieving records from a Records Center
5. Managing electronic records
6. Maintaining, preserving and protecting Vital Records

7.Educating Fiduciaries about Disaster Recovery methods to secure records and information systems in the event of a calamity
8. Document imaging guidance
9. Controlling information to support business process improvement initiatives, including ensuring that the Fiduciary's corporate memory is maintained

c. Leads, researches, and drafts the PFAC records management policy for PFAC leadership's approval.
d. Serves as PFAC records management expert in interpreting laws, regulations, records management, vital records management, electronic records management, disaster recovery, preservation, security and confidentiality according to professional standards and methodologies.
e. Conducts research into records retention requirements.
f. Encourages Fiduciaries to systematically plan all aspects of their records management practices to increase efficiency, reduce costs, use technology for effectiveness, produce records when required, protect records adequately for security and confidentiality purposes.
g. Encourages Fiduciaries to complete a feasibility study when considering electronic image management applications that contains all benefits and costs in the care and maintenance of records and information systems over the lifespan, including retrieval in the event for litigation, investigation or regulatory inquiry.
h. Disseminates announcements regarding records management activities.
i. Coordinates arrangements for appropriate training of records management practices.

3. The Fiduciary
a. Adheres to the records management duties in the PFAC approved Records Management Policy.
b. If the Fiduciary business is large enough, appoints a Records Liaison that has a track record of learning new duties, and is capable of positively influencing change within the operation.
c. Supports the Records Liaison when various tasks and duties are to be completed.
d. If the business is a single practitioner the Fiduciary is obligated to see that these duties and tasks are completed.

4. Records Liaisons

a. Be officially appointed by the Fiduciary to be the Records Liaison. Be responsible for overall coordination of the records program for the business. Add the Records Liaison's duties to the job description and performance review.
b. Be trained by the Records Management Committee.
c. Assure that records and information systems are included in the PFAC Retention Schedules.
d. Establish effective management controls over the identification, collection, indexing, access, filing, storage, maintenance and disposition of records and information systems.
e. Serve as the department's point of contact for records transfers to a Records Center; oversee the work of those authorized to transfer inactive records from office space to the records center. Assure that the work is completed according to established procedures.
f. Maintain indexes (or is it indices?) for transferred records so easy access and proper disposal are assured.
g. Serve as the business' point of contact for document imaging services.
h. Identify, maintain and protect vital records.
i. Dispose of records in the normal course of business according to the approved Retention Schedule.
j. Ensure that retention schedules and destruction practices are suspended when litigation, governmental investigation, or an audit is pending or imminent.
k. Complete the business's Records Management Audit by each December 1.

C. KEY PRINCIPLES

1. Definition of a Record

The International Standards Organization (ISO) states that 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". The International Council on Archives (ICA) Committee on Electronic Records defines a record as "a recorded information produced or received in the initiation, conduct or completion of an institutional or individual activity and that comprises content, context and structure sufficient to provide evidence of the activity." The key word in these definitions is *evidence*. Put simply, a record can be defined as "evidence of an event".

2. Definition of Records Management

The ISO 15489: 2001 standard defines records management as "The field of management responsible for the efficient and systematic control of the creation, receipt, maintenance, use and disposition of records, including the processes for capturing and maintaining evidence of and information about business activities and transactions in the form of records".

3. Who Owns the Fiduciary's Case Files?

It is clear that records the Fiduciary creates pertaining to his or her Fiduciary business such as time records, accounts receivable, professional liability insurance, office rent contracts, taxes, etc are owned by the Fiduciary. The same cannot be said for the Fiduciary's client case files.

Case files are an amalgam of files and records created and maintained by the client years earlier, may have been removed by the Fiduciary at the beginning of the case and the Fiduciary has created and maintained additional files and records, including electronic records to manage the client's affairs. Indeed Fiduciaries are the guardians and not the owners of these records. The records remain under the control of the Fiduciary as long as he or she actively serves in the capacity of the Fiduciary. Once he or she resigns from the case, or another Fiduciary has been appointed those records are transferred to the new Fiduciary. If the former Fiduciary wishes to maintain copies he or she may do so, to document the work and discretion he or she has exercised. This copying or scanning will be at the expense of the former Fiduciary who is releasing records to the new Fiduciary.

4. Records Retention Schedules

Records and information systems must be maintained according to professionally created retention schedules. The schedule is the legal instrument by which records and information systems are evaluated and decisions are made about their storage, availability, transfer and disposition. Retention schedules state a time period for the records to be maintained and this is regardless of format.

Records are not disposed of one page at a time. They are disposed of by "records series." A records series is a group of identical or related records, or electronic information systems that are normally used and filed as a unit and that permit evaluation as a unit for retention scheduling purposes.

5. Legal Hold On Retention Schedules

In the event of litigation, investigation, or regulatory inquiry that the Fiduciary knew about or should have known about, Records Retention Schedules are suspended. At that moment there is a "legal hold" on records and information systems that may be of interest. The Fiduciary has the

obligation to immediately stop the disposal of all information and must start saving records and information systems.

In the event of a records production subpoena or regulatory inquiry the Fiduciary should be prepared to outline or map his or her information holdings in a clear manner to his or her attorney. This allows for the discussion of what might be the pertinent information. The Fiduciary's attorney will direct the Fiduciary and this may include the need to copy traditional files and information, and the seizure (or mirroring) of computers, hard drives, storages devices, and all electronic devices holding relevant information.

6. Regardless of Format—Media Neutral

Records definitions and retention schedules are regardless of format or "media neutral." Therefore one maintains and disposes of records and information systems according to records series not format.

7. Lifecycle Management of Information

It is prudent that each Fiduciary manages his or her information resources in a lifecycle manner that includes creating, organizing, storing, securing, and destruction (or in some cases, archival preservation) of records and information. Information storage will continue to become less expensive, however, Fiduciaries must understand information management classification and document retrieval will become more expensive and must be budgeted for it long after the case closes.

8. Personal Information and Records Destruction

Fiduciaries create, collect, and maintain significant information on individuals, their family histories, medical care, mental health, medications, property and assets, wills, trusts, etc. The public trust that allows us to act for another person is inextricably connected to our honoring our clients, protecting, and securing this information. This includes the principles behind Fair Information Practices, Health Insurance Portability Accountability Act and other data privacy laws and regulations. It is incumbent on Fiduciaries and anyone who works for them or shares or handles sensitive information in the course of our work to protect information from unwarranted invasion, letting it be captured on unsecure Internet networks, laying files around for others to see, and not properly shredding information at the end of the retention period.

a. Documents discarded with personal identifying information should be shredded and not thrown whole into the trash or recycling.
b. Document shredding should leave confetti no larger than 3/16" of an inch.
c. If and when paper case files and documents are shredded it should be done according to the Retention Schedule by a reputable shredding company that will allow you to witness the destruction.
d. The company should issue you a Certificate of Records Destruction providing the names of the records series destroyed, the volume of records destroyed, and the date.
e. Caution must be used to assure no additional boxes or files of records are inadvertently abandoned.

9. Electronic Records Destruction

When it is time to destroy the traditional files, it is also important to destroy *all* electronic documents of the case. Simply touching the delete button does not destroy electronic information

It is also important that data destruction processes (also known as a "wipe" or a "scrub") ensures the complete erasure of all data from disk drives and other electronic storage media. Fiduciaries are urged to employ members of the National Association of Information Destruction (NAID.)

Fiduciaries are expected to conduct due diligence and hire a document destruction contractor to dispose of material specifically identified as client information. Due diligence could include:

a. reviewing an independent audit of a disposal company's operations and/or its compliance;
b. obtaining information about the disposal company from several references;
c. requiring that the disposal company be certified by a recognized trade association;
d. reviewing and evaluating the disposal company's information security policies or procedures.

As computer equipment and electronic storage devices become obsolete it is important to migrate data that is still needed according to Retention Schedules to newer compatible electronic storage.

Remember, that which you did not destroy according to Retention Schedules must be produced and retrieved in the event of litigation, investigation or regulatory inquiry.

10. Files Management

Filing systems must be properly designed to ensure effective management of active paper and electronic records within the information processes. This includes setting up procedures and guidelines for organizing and identifying files collection. Properly done, this will make retrieval and use easier in day-to-day office operations. It will also utilize office floor space more efficiently, prevent unauthorized access, and aid in transferring records when they are rarely referenced but still must be maintained according to retention schedules.

Files management is a detailed matter with the intersection of equipment, filing supplies, office procedural practices, and more. Please see the attached Appendix Files Management for more discussion of best practices. See Appendix 3 for a complete discussion

11. Imaging

Imaging is a process by which a document (primarily on paper, although any medium can be used) is converted from a human-readable format to a computer-readable digital image file.

These imaged pictures of documents can be stored on a variety of media. The most common types of storage are magnetic media (such as hard drives, and external hard drives) or the more popular "the cloud." When combined with effective indexing, imaging the files can shorten information retrieval time and allow access to materials for multiple users at various locations.

Image files come in many different types of software-dependant formats, such as .jpg, and .tif. Most formats are proprietary, so computers need software to convert the images back to a human-readable format. Proprietary file formats may not be supported long term by manufacturers and may vary from vendor to vendor. Many file formats use compression to force more data into less storage space and speed image precision, storage, and transmission. Compression may be *lossless* (less compression but no data loss) or *lossy* (deep compression with subsequent data loss). Lossy file formats, such as JPEG (.jpg) files, don't necessarily look the same after compression.

Without special software, computers generally cannot use the informational content of a raw image file to search for or retrieve a specific image. Search and retrieval normally depends on some form of indexing, which assigns specific metadata to each document, such as author,

recipient, date, title, and content keywords. This index, or metadata, can be simple or sophisticated, and is typically an electronic database that is linked to the images. Useful indexing requires careful planning and forethought before any actual imaging begins.

As stated earlier, document images have the same records retention as their assigned records series and special efforts must be made to destroy electronic information.

Best archives and records management practices at this time suggest that imaging projects be scheduled to be re-done in ten to fifteen years due to the changes in technology.

12. Metadata

Fiduciaries must understand that all electronically stored information has "meta-data." Metadata is defined as data providing information about one or more aspects of the data, such as:

- Means of creation of the data
- Purpose of the data
- Time and date of creation
- Creator or author of data
- Placement on a computer network where the data was created
- Standards used

For example, a digital image may include metadata that describes how large the picture is, the color depth, the image resolution, when the image was created, and other data. A text document's metadata may contain information about how long the document is, who the author is, when the document was written, what iterations it has had, and a short summary of the document.

Metadata is data. As such, metadata can be stored and managed in a database, often called a registry or repository. However, it is impossible to identify metadata just by looking at it because a user would not know when data is metadata or just data.

Metadata is what opposing counsel; investigators or regulatory agents are seeking. It is significant in proving who knew what, and when about a matter in question, and who did he or she share the information with. Searching and retrieving this information is the purview of forensic computer science and e-discovery.

13. Transferring Records to the Records Center

Good business practice and records management require rarely used records to be transferred from the Fiduciary's offices to a Records Center. Records transfer significantly reduces Fiduciary's office storage and operating costs and insures the protection and availability of the records that have not met their records retentions.

Records are considered inactive if they are referred to no more than once per month per file cabinet drawer. Records stored at the Records Center remain the property of the Fiduciary.

Reputable Records Center facilities are likely to be a member of some of the following associations: the Professional Records & Information Services Management (PRISM), the American Records Management Association (ARMA), and the National Association for Information Destruction (NAID).

A records center can turn into a costly operation if its function is not understood clearly. It should contain those records not active enough to justify continued retention in the office, but which must be available for a specified period of time on an intermittent reference basis, or to satisfy Retention Schedules.

Destruction of records stored in the records center is not automatic when the retention period expires. The records center notifies the Fiduciary regarding what records have met their stated retention schedule. The Fiduciary must sign an authorization allowing those records to be destroyed as described in Section 8. Records Destruction.

The records center can provide a listing of records the Fiduciary has on deposit. This listing, is only as good as the index the Fiduciary's created in transferring the records.

The listing will assist in keeping track of records on deposit in the records center and can be especially helpful when approving payment of records center billings. It lists each Transfer List by number, accession date (year and quarter the material was accepted by the records center,) disposal date (year and quarter provided on the Transfer List,) container or shelf number(s) and total holding by facility for each billing code.

14. Vital Records

Records and information systems essential to the continued functioning or reconstruction of Fiduciary's duties during and after an emergency and also those records essential to protecting the rights and interests of the organization and of individuals directly affected by its activities. Sometimes called essential records. Include both emergency-operating and rights-and-interest records. Vital records considerations are part of Fiduciary's records disaster prevention and recovery program.

- Emergency-Operating Records:

  These records are essential to continued functioning or reconstitution of the Fiduciary duties during and after an emergency. Examples include: delegations of authority, listings of Vital Records locations, descriptions of essential emergency functions, emergency plans and directive(s), lists of key personnel, staffing assignments, disaster recovery plans, and emergency operating procedures.

- Rights and Interests Records:

  These records are essential to the continued operation of the Fiduciary during and after an emergency. These records are irreplaceable because they provide evidence of ownership, legal status, medical status and financial status.

Vital Records must be protected in **at least** one of three ways:

- Natural dispersal
  - An additional copy is naturally created and sent to another distant location in the course of the information workflow. For example a bank may be able to produce bank statements in case of an office fire.
- Vaulting
  - Information is kept in a secondary secure location, protected against flood, fire, earthquake, threat, disaster, or inadvertent loss.
- Duplicating or imaging and vaulting one copy.

15. How to Preserve Historically Valuable Records

Paper preservation requires proper storage and safe handling practices. Historically valuable documents will last longer if they are stored in a stable environment, similar to that which we find comfortable for ourselves: 60-70 degrees F; 40-50% relative humidity (RH); with clean air and good circulation. High heat and moisture accelerate the chemical processes that result in embrittlement and discoloration to the paper. Damp environments may also result in mold growth and/or be conducive to pests that might use the documents for food or nesting material. Therefore, the central part of your home provides a safer storage environment than a hot attic or damp basement.

Light is also damaging to paper, especially that which contains high proportions of ultra violet, i.e., fluorescent and natural day light. The effects of light exposure are cumulative and irreversible; they promote chemical degradation in the paper and fade inks. It is not recommended to permanently display valuable documents for this reason. Color photocopies or photographs work well as surrogates.

Historically valuable records should be stored in appropriate sized enclosures, such as a folder, box, portfolio, etc., that will provide physical protection as well as protection from light and dust. These records should be protected by using acid-free, lignin free professional products. (See suppliers below.) The enclosure itself should be made of stable permanent quality materials that will not contribute to the document's deterioration. Use white cotton gloves to handle and protect these records when they must be handled. .

Assure that there is no food or drinks are around these documents.

Avoid the use of:

Pressure-sensitive ("Scotch") tape.
Rubber cement of glue.
Metal paper clips.
Acetate sleeves from office supply stores.
Self-adhesive album or scrapbook pages.
Manila envelops.
Laminating

Sharing documents with other family members

Do not pass the originals around; make photocopies or digital copies to distribute to other family members.

If you wish to compile a scrapbook, use copies, not the original documents.

Archival Supplies for Historically Valuable Materials

Light Impressions
PO Box 2100
Santa Fe Springs, CA 90670
Phone: 800-828-6216
Fax: 800-828-5539
URL: www.lightimpressionsdirect.com

Metal Edge, Inc.
6340 Bandini Ave
Commerce, CA 90040
Phone: 800-862-2228

Fax: 888-822-6937
URL: www.metaledgeinc.com

University Products
PO Box 101
517 Main
St Holyoke MA 01841
Phone: 800-336-1912
Fax: 800-532-9281
URL: www.universityproducts.com

Additional Resources

Organizational Bodies

Association of Records Managers and Administrators

National Archives and Records Administration

Society of American Archivists

The Sedona Conference

Expert Thought Leaders' Web Sites

Document Retention and Electronic Discovery (DRED) by Cary J. Calderone, Esq and Systems Engineer.

Information Requirements Clearinghouse by Donald Skupsky, Esq

Books

The Lawyer's Guide to Records Management and Retention by George C. Cunningham and John C. Montana (Dec 4, 2006)

Law, Records & Information Management: The Court Cases by Donald S. Skupsky and John C. Montana (Oct 1994)

Recordkeeping Requirements: The First Practical Guide to Help You Control Your Records...What You Need to Keep and What You Can Safely Destroy by Donald S. Skupsky (Aug 1994)

Obtain

U.S. Internal Revenue's Publication 552, "Record-Keeping for Individuals." http://www.irs.gov/publications/p552/index.html (More work to be done to incorporate this information into Retention Schedules.)

U.S. Internal Revenue's Publication 583, "Starting a Business and Keeping Records" http://www.irs.gov/publications/p583/ar02.html Currently being revised. (More work to be done to incorporate this information into Retention Schedules.)

APENDIX ONE
RECOMMENDED RETENTION SCHEDULE

ADMINSTRATIVE AND ORGANIZATIONAL RECORDS ABOUT THE FIDUCIARY BUSINESS

(NOT RELATING TO THE CASE FILES)

Note: In the event of litigation, investigation, or regulatory inquiry that the Fiduciary knew about or should have known about, Records Retention Schedules are suspended.

NO.	RECORDS SERIES	DISPOSITION
1.	Annuity Contracts	Annuity Paid Out
2.	Bank Statements and Canceled Checks	7 Years
3.	Business Inventory With Photos (Annual)	7 Years
4.	Credit Card Statements	7 Years
5.	Employment Applications	
6.	Hired	5 years after employment ends.
7.	Not Hired	6 months after decision is made.
8.	Health Insurance Policies and Receipts	7 Years
9.	Insurance Policies/Invoices	1 Year After Termination
10.	Law Suits	15 Years After Case Settlement
11.	Loan Statements and Agreements	10 Years After Termination
12.	Office/Home Office Improvements	10 Years After Completion
13.	Passwords	Retain Current Document. Destroy Earlier Versions.
14.	Personnel Records	5 years after employment or indefinitely if employee is exposed to hazardous materials.
15.	Professional license information and well as records related to Continuing Educational Units (CEUs)	3 years
16.	Property Tax Receipts	3 Years
17.	Property Tax Assessments and Receipts	3 Years
18.	Real Estate Deeds	15 Years after sell of property.
19.	Receipt (Items Under Warranty)	Warranty Expires
20.	Receipts (Expensive Items Over $500.00)	Item Sold or Donated
21.	Receipts (Lesser Valued Items)	3 Years
22.	Retirement Plan Benefits	Never Discard
23.	Stock/Bond Certificates	Surrender Upon Sale
24.	Tax Return With Supporting Documents	10 Years (Discuss) Note 1
23.	Vehicle Registration	Dispose When New One Arrives
24.	Warranties (With Stapled Receipts)	Disposal of Item

Note 1: Your greatest risk of an IRS audit is in the three years after a tax return's due date, so keep records for your 2010 return until April 2014. The IRS can extend that span by three years if it suspects you underreported your income by 25 percent or more (there's no time limit if your're suspected of fraud). Keep W-2 forms until you begin receiving Social Security.

RECOMMENDED RETENTION SCHEDULE

CASE FILES

Note: In the event of litigation, investigation, or regulatory inquiry that the Fiduciary knew about or should have known about, Records Retention Schedules are suspended.

1.	Client Case Files	7 Years After the Death or Termination of the Appointment
	Subseries May Include:	
	a. Legal	
	b. Correspondence	
	c. Inventory and Assets	
	d. Medical	
	d. Bank Documents	
	e. Tax Records	
	f. Real Estate	
	g. Trust	
	h. Auto	
	i. Investments	
	j. Personal Property	
2.	Historically Significant Records, Publications, Rare Books, Maps, Manuscripts, Paintings, Textiles, etc.	Consult a historian or archivist to appraise these records. These records should be offered to the surviving family members, if any or the local historical society that the documentation pertains to or the creator's alma mater, Special Collections Department.

APPENDIX TWO

FILES MANAGEMENT

Why files management?

The basic objective of a good filing system is to be able to find the record you need quickly and economically, regardless of its format. The goal of a good filing system is to provide quick access to information.

Files management is integral to records management. Records Management is the application of systematic control to recorded information. It is a logical and practical approach to the creation, maintenance, use and disposition of records and, therefore, to the information that those records contain. Files Management applies records management principles to both paper and electronic records created and used by a single office. Files management ensures the use of information. It ensures that records can be retrieved when needed.

The purpose of this section is to provide basic guidance for establishing and maintaining the records of your office by the most efficient and economical means available.

Who is responsible?

Each Fiduciary has the primary responsibility for the proper care and management of its records. If the Fiduciary has employees it is recommended that one employee be designated as the Records Liaison.

A well designed filing system:

- must make filing less difficult, tedious, and unattractive
- must offer quick and easy filing and retrieval of information with a minimum of wasted time and effort
- must ensure integrity and continuity of record keeping despite changes in office personnel
- must have uniform practices
- must allow for the easy identification of inactive records
- should provide clear and simple file categories
- should be expandable and flexible enough to meet everyone's needs

Higher productivity, lower costs

Higher productivity and lower costs are the main benefits of good files management. The right filing system produces important tangible results and eliminates costs associated with poor procedures.

Timesavings:

- faster filing and retrieval of information
- fewer misfiles
- higher staff efficiency and productivity

Cost savings:

- less frequent purchase of filing equipment and supplies
- less office space used for filing equipment
- less time spent on filing
- less likelihood of litigation losses resulting from lost documents
- less likelihood of lost documents leading to unfavorable audit findings and penalties
- less costly recovery of vital records
- less loss of organizational knowledge as key personnel retires

Specific benefits

Establishing and maintaining control over files will bring specific benefits:

- easier training of new personnel
- expandability and flexibility to meet the needs of the office
- standard procedures for disposal of obsolete records
- improved service to clients/public
- protection of vital records
- compliance with legal and audit retention requirements

Filing reference materials and miscellaneous records

Although it should not be integrated into the major office filing system, documentation that is kept for reference may be managed as follows:

Published reference materials: Published reference materials are best maintained in a centralized office library.

Stocks of publications: Stocks of publications are best maintained in a centralized storage/publication area. Publications include brochures and newsletters.

Miscellaneous notices or memoranda: Miscellaneous notices or memoranda that do not relate to the functional responsibility of the Fiduciary may be maintained separately and discarded when superseded or no longer needed. An example is a flyer from the County Advisory Committee on Aging.

Blank forms: Blank forms are best filed together in a specifically designated cabinet or file drawer. They should not be integrated into the actual filing system.

How do I develop or improve a filing system?

Develop a plan

A good filing system is developed through a basic file plan. Planning is important because it establishes direction and control, ensures that everyone involved has a common understanding of purpose and goals, provides guidelines, and identifies the elements of a project.

Plan elements in logical order:

1. Assign responsibility
2. Obtain support
3. Collect information: inventory records
4. Analyze records
5. Develop a filing system
6. Implement system

7. Train users
8. Monitor implementation, follow up and revise system

Obtain support

The first step in developing or improving a filing system is to gain the support of both the Fiduciary and the users of the system. Administrative support legitimizes the project and ensures the cooperation of all members of the office.

Every member of the office must understand the purpose and scope of the project. Everyone should be involved in the process. The creator of a record may provide important insight useful during the analysis of the records. Office members can help determine which features or aspects of the present system work well and should be retained. Office members can also help identify specific problems within the present system that must be changed. Most importantly, involving others in the process makes them more amenable to using the system once it is implemented.

Analyze records

Once records have been inventoried, they can be analyzed. Before a filing system can be designed, a thorough understanding of WHAT records are created, WHY they are created and HOW they are used is a necessity. An analysis begins with a careful consideration of the following questions:

- who creates the records
- who uses the records
- how are records requested
- how often are various types of records requested
- what is the volume of records created
- how long do records remain current
- how many people need access to the records
- how much equipment is available to store the records
- how much space is available for equipment/growth
- which records are confidential
- are there legal requirements for retaining the records
- which are the vital records

There are no set answers to these questions. Effective analysis requires that a common-sense approach be taken. The goal is to make a new system work, not just look good on paper. Analysis is the process of reviewing all information that has been collected, manipulating that information within the functional and operational requirements of the office, and then drawing conclusions.

The most efficient and economical filing system is one that works well for the office and is easily understood by its users. Very often the simplest method is best. Final factors to bear in mind when establishing a filing system: ready identification and retrieval of individual records and files and the segregation and security of information requiring special protection.

What are the tools of the analysis?

Primary classification

Classification is a tool of analysis. It is a method of sorting information into like groups. Identifying primary classifications within each office and sorting files identified on the inventory into those primary classifications is the first step in the development of a filing system.

Primary classification describes the broadest and most fundamental distinctions to be made between the records of an office. All records are created as the result of functions and responsibilities that reflect purpose, mission, projects, activities, and programs.

Examples of primary file classifications that are found in most offices are:

- Administrative files -- document the internal administration and operation of an office
- Organizational files -- document the relationship of an office with other offices and entities of the Fiduciary
- Case files -- document a specific events transactions of a case of a , person, or trust.

Just as each office is different, so may their primary file classifications differ. It is not unusual for administrative and organizational files to fall into the same primary classification. Primary file classifications should be based on the function of the office. Remember, identifying primary classifications is only a tool. It is not the final goal.

Secondary classification
Within the three primary classifications, files are sorted into record series. Identifying appropriate record series is the second and most important step in developing a filing system.

A record series is a group of records that are created, used and filed as a unit because they relate to a particular subject or function, result from the same activity, or have a particular physical form.

All files must be classified by record series. A paper filing system is managed on the basis of its record series, not by individual folders. Examples of common record series are: The Conservatorship of Paris Hilton, the Michael Jackson Trust, etc.

How do retention schedules relate to files management?
A major consideration in the development of a filing system is the retention of the records. Record retention periods provide valuable clues for sorting files into the appropriate record series. Many times records with the same retention will belong to the same record series. Record retention periods are found in Appendix 1 in the PFAC Records Retention Schedule. Retention schedules clearly state how long a record must legally be kept and whether the record is historically valuable. Retention schedules also provide guidelines for moving files to the Records Center.

How do vital records relate to files management?
Vital records are recorded information, regardless of medium or format, that must be protected in case of disaster. Major considerations in establishing a filing system are the identification and protection of vital records. Again there are three major ways of protecting vital records. They are natural disposal, vaulting, and duplicating or imaging.

Completing the analysis
Once the analysis is complete, a filing system can be developed. A filing system should be developed on paper before it is physically implemented. Folders should be sorted, on paper, into the appropriate primary classification. Within each primary classification folders are sorted, on paper, into record series.

There are always some records that don't fit neatly into a record series. Check to see if such documents truly belong in the considered records series. Neither should be included in the filing system.

In the case of electronic records - word processing or email - the records can be saved to a directory that would be the electronic equivalent of sorting the files into primary classifications. Within each directory files can be sorted into folders that would be the same as sorting paper files

into record series. See "Managing Shared Directories and Files" in the second project deliverable Electronic Records Management.

How do I develop a filing system?

Arrangement
Within each individual record series, files are arranged in an order best suited for rapid retrieval and disposition. A feature or characteristic of the record series is chosen as the basis for the arrangement. This feature is most easily identified by determining how various types of records are requested. Features may include subject, a name associated with the record, a number that identifies the record, a title. It is best to use an existing feature rather than creating something arbitrary. The most common arrangements are:

Alphabetic -- arranging records in alphabetical order is most helpful when records are retrieved by name or topic. However, it must be remembered that even the simplest alphabetic system requires establishing consistent and uniform filing standards. As the record series grows, the subjects must become more specific. Extensive cross-referencing usually becomes necessary. Alphabetic files can be arranged in two ways:

Dictionary order -- each subject is provided its own folder.
Encyclopedic order -- subjects are grouped into major headings. Individual folders are filed in alphabetical order behind each heading.

Chronological -- a chronological system is most useful for records that are created and monitored on a daily basis. Folders are arranged by sequential date order. It is, however, recommended that chronological filing be avoided. Retrieval can be slow and difficult, as few people tend to remember dates accurately. The date of occurrence is rarely the basis for retrieval of information.

Geographical -- information is arranged alphabetically by geographical or place name.

Numerical -- records are arranged by document number. Numerical files are most easily managed through the following systems:

Serial number -- used for files that have a preprinted number. Works best for records that are assigned a number on creation, e.g., invoices and purchase requests.
Digit filing -- uses an applied number to identify folders, e.g., social security number, patent number, and budget number. Works best for record series containing large numbers of records.

Centralized filing systems
Centralized filing places all records series in one central location in an office. It is most useful when the majority of individuals within an office require access to a majority of the files. The electronic equivalent to centralized filing would be a shared directory.

In a centralized file system:

- there is greater control over the files
- uniformity and consistency is easier to maintain
- all important information is located in a central location
- all information regarding a specific subject is located in a central location
- the need for duplicate files is eliminated
- storage of records requires less equipment and space

Decentralized filing systems

Decentralized filing physically locates record series in different places within an office. It is most useful when only one individual requires access to a specific record series. The electronic equivalent would be an individual's access to their PC. In this case, it works only if the creator of the files is the only user of the files.

In a decentralized file system:

- there is less chance of folders being misfiled into the wrong record series
- limited access to a record series leads to greater security and confidentiality
- the record series is physically located closer to the user

It is possible for an office to have both a centralized and decentralized filing system. The majority of the record series may be filed centrally, while a specific record series is located near its primary user. A centralized system should not be imposed on records accessed by one individual, nor should individuals within an office have to routinely search several physical locations to find the record they need. Remember, filing systems should reflect the function and organization of an office.

What are the steps to implementing the system?
There is no easy way to implement a new filing system. It is a very labor-intensive task. If at all possible, it is recommended that the filing system be implemented in stages, by primary classification--one record series at a time.

Steps in the implementation process include:

- sorting paper files into primary classification
- sorting electronic files into directories
- sorting paper files into record series
- sorting electronic files into folders
- arranging files within each record series
- assigning a physical location within the filing system to each primary classification and its attendant record series
- re-labeling folders or creating folders to reflect the new file system
- if necessary, the purchase of new filing supplies/equipment

Why train users?
Filing systems will fail if all users do not follow uniform and consistent procedures. Training is necessary to ensure a thorough understanding of, and compliance with, new procedures. Training is best conducted through "live" sessions.

Training sessions should be conducted by the Records Manager or by the individuals responsible for developing the new filing system. Records Management Department staff are available to assist in preparing and/or presenting a training session.

Before presenting a training session:
- develop the system thoroughly
- work out flaws so that the system has credibility
- allow developers time to become familiar with the system

Training sessions should:
- offer user opportunity to ask questions
- present system goals
- explain new procedures
- assign staff duties and responsibilities

- stress commitment to constant system improvement

Monitor implementation, follow-up and revise system
After a test period meet with users to identify problems. Work with users to resolve inconsistencies and formulate implementable solutions.

Written filing policies and procedures are useful tools that help ensure the success of the new system. Written policies should include:

- a brief statement describing the chosen system and its arrangement
- detailed procedures for the creation, maintenance, and purging of files
- procedures for the retrieval and re-filing of paper folders
- staff duties and responsibilities

Written policies help ensure that the new system will be understood by all and will succeed.

Maintaining a filing system: Inactive records
Identifying and managing inactive records is an important step in the maintenance of a successful filing system. Many filing systems break down and fail because drawers are clogged too full of paper to make records they hold easily accessible. Electronic systems fail when too many versions of a document make it difficult to determine which one is the final draft.

Active vs. inactive records
Active records are consulted routinely in the daily performance of work. Inactive records are rarely used, but must be retained for occasional reference or to meet legal and state retention obligations. A standard determination is that there are fewer than two references per file cabinet drawer per month.

Identifying inactive records: Cut-off
The cut-off signals the point at which a record series becomes inactive. It is used to determine the beginning of the retention period. The cut-off can refer to a specific event: termination of the case file, or termination of the contract. More usually, the cut-off is tied to a period of time. For Fiduciary offices it is recommended that file cut-off be on January 1 and July 1 of each year.

Storing inactive electronic files
The medium used for storing electronic records depends on their retention period.

Storing inactive paper files

In general, storage rooms and basement storage areas create more problems than they solve. It is strongly recommended that inactive records not be maintained in these areas.

Storage rooms and basements are only suitable for the storage of paper files. If a storage area must be created, the following should be considered:

- location -- convenience to the office
- size -- including room for growth
- access
- security
- fire protection
- temperature/humidity controls
- shelving
- water/flood prevention
- floor load
- work areas/lighting

- ventilation

The use of storage rooms and basement storage areas can seriously undermine a filing system unless the same procedures for files maintenance used in the office are applied to records stored in these areas.

If a storage area must be used, the following guidelines are suggested:

- if the Fiduciary's office is in a commercial building, get clearance to use the area for records storage from Fire Safety
- have one person responsible for maintaining the area
- designate specific areas for the storage of records -- store equipment separately
- apply retention schedules to the records
- always use standard record storage cartons (1 cubic foot, not 2 cubic feet)
- label boxes in the same manner required for transfer to the Records Center so the records will not have to be re-packed or re-index when they are finally sent
- create an index of records which are transferred to storage. Keep a copy of this index as a part of the files management guide in the office.
- enforce charge out rules when retrieving records from storage
- protect confidential records from unauthorized access
- protect vital records

Naming and labeling files

For paper files, identification and labeling allows an office to maintain physical control over current files as well as manage growth of new files. Labeling serves as a visual aid by identifying individual record series and by identifying folders within each series.

For electronic files, identification and labeling allows an office to maintain intellectual control over current files as well as to manage growth of new files. Labeling serves as an access tool that allows individual documents to be retrieved in an efficient manner.
When working with paper files three levels of file identification and labeling help simplify and facilitate filing and retrieval:

- drawer or shelf labels
- file guide labels (guide cards)
- file folder labels

Drawer or shelf labels

Labels should be typed in uppercase and include:

- primary classification
- secondary classification (record series)
- dates

File guide labels/Tabs

File guides serve as "signposts" to lead the searcher to specific portions of the file. Guides may be used within a drawer to highlight a primary classification, to identify a record series, to highlight a specific year, or may be used within a record series to identify portions of the file as required.

Type labels in uppercase and show:

- primary classification (as appropriate)
- secondary classification (record series)

File folder labels

File folder labels should include:

- file code (if used) or full record series title
- folder title
- date(s), usually inclusive dates, of the file contents

Electronic files

Electronic files follow many of the same file identification and labeling guidelines as paper files. Records are organized by directories which act as the primary classification. Each directory contains folders which act as record series. Finally, each folder contains individual documents whose names should represent their subject matter.

Filing practices and procedures

Although many of the files we currently create may be electronic, we will always have to cope with paper files. This section includes basic information regarding the maintenance of active paper files.

Always analyze and screen material immediately upon receipt. Establish what not to file.

Processing records for filing

1. check to see that the material is complete
2. analyze the item for inclusion in the appropriate primary classification
3. analyze the item for inclusion in the appropriate record series
4. analyze the item for inclusion in the appropriate folder
5. file the item in the front of folder
6. if a folder does not exist, create a label for a new folder
7. integrate the folder into the system

Returning records to the file

1. check to see that the material is complete
2. enter the date of return on the outcard
3. remove the outcard and replace it with the folder

Charge-out rules: outcards

- users check out folders, never individual documents
- outcards are used to monitor the removal of folders from the file

Information on the outcard should include:

- file folder title
- borrower name
- date charged out
- date returned

For convenience keep several outcards in the front of each file drawer or on top of each file cabinet. Outcards are available from central stores. For greater convenience, outcards can be personalized for individual users. Outcards personalized for an individual need only contain file folder title, date charged out, and date returned.

Cross-referencing

When to cross-reference:

- when the subject matter is broad and contains several different filing features, or is closely related to two or more subjects
- when the document affects or is functionally connected to two or more departments
- when a document is moved from one location to another

Cross-referencing forms

A cross-referencing form is the recommended means of documenting the existence of related information located in a different section of the filing system. Cross-referencing forms are most useful when they are developed to meet the needs of individual offices.

The most simple cross-referencing forms follow the example of outcards and list the location of all material related to each record series on one sheet of paper or card which is filed in front of the record series. It is more effective to use one cross-referencing form per record series than to create a separate cross-referencing form per item or folder. There is little difference between filing a duplicate copy of a document and creating a form for each cross-referenced item. Both increase the need for filing space, supplies, and equipment. Both increase the time spent retrieving or re-filing records.

Filing supplies

After determining a filing system for managing your paper records, it is important to choose appropriate supplies.

Basic Folder Designs

Tabs
Folders come with tabs which appear in different locations and in different widths on either the top edge or side (end) edge of the folder.
Tabs are cut in specific sizes which also indicate their actual location on the folder edge.

Tab cuts are:

- full cut
- half cut
- third cut

Although different record series may use different tab cuts, one tab cut should be used uniformly throughout an individual record series.

Weight
Folders are produced using many different weights of paper. The weight of a folder depends on its thickness which is usually an indicator of strength and durability. Manila and press board are the most commonly used materials for file folders. A 14-point manila folder is considered average in an office setting. An average folder is designed to hold about 50 sheets of paper. Folders of

less than 14-point thickness are not recommended. 24-Point press board is recommended for folders with high volume and high activity.

Hanging folders

Hanging folders are used to bring order to a drawer. They are effective only when used in the right circumstance. As hanging folders take up 1/3 of the available drawer space, they should be used only for record series with high retrieval activity.

File labels

Labels are used to facilitate identification of a folder and its contents. Visibility on the folder and use as a visual retrieval aid should be major considerations when choosing labels.

If labels are used, buy only permanent adhesive labels. A lot of hard work on files management can be reversed if cheaper labels are purchased and the labels curl and fall off the folders.

Color coding

Color coding is a method of identifying file folders within a filing system. Color, when used appropriately, can make misfiles visible at a glance, facilitate retrieval, and facilitate records retirement. Color is used as a visual aid to highlight a record series or the date. It can also be used to highlight a specific folder e.g., vital records. Color coded filing supplies include hanging folders, hanging folder tabs, manila and press board folders, color bar name labels, color code alphabetic and numeric labels, solid color labels.

Again purchase color-coding supplies that will not color your documents in the event of a water disaster. Having all documents stained purple is not user friendly.

File equipment

Considerations for selection

A host of variables will affect how each office makes its equipment selections. Factors range from cost and required floor space to appearance and office aesthetics. Each office has unique needs. The capabilities, advantages, and disadvantages of different types of equipment must be measured in the context of those unique system requirements.

File equipment

The most common varieties of filing equipment are:

> Vertical drawer cabinets -- continues in widespread use although it is the most costly of all filing equipment. Vertical drawer cabinets require more floor space, and more physical effort and time to access folders than other types of equipment. Vertical drawer cabinets consume 5.8 square feet of floor space (with drawer extended) and hold only about 100 inches of files.
>
> Lateral cabinets -- used in some offices as an alternative to vertical drawer cabinets. They have essentially the same limitations as vertical cabinets, although they can provide some space savings as well as retrieval efficiency. A 5 drawer lateral cabinet occupies approximately 6.8 square feet of floor space and holds almost 2.5 times more than a vertical drawer cabinet.
>
> Open shelves -- open shelving provides high density access to file folders while occupying significantly less floor space than a vertical or lateral cabinet. They are often the fastest and most convenient filing equipment to use. Open shelves are readily adaptable to the storage and management of paper records,

magnetic media, microforms, and all other records formats. They typically cost 1/3 less than vertical and lateral cabinets. However, open shelves do not offer security for confidential or vital records. Additionally some safety officers require that bungee cords are placed on each shelf to keep files from falling during an earthquake.

Mechanical files (rotary equipment) -- folders are stored in open shelf carriers that provide high-density storage. The mechanical carriers rotate in a carrousel format to bring the desired record closer to the user. Other than moveable shelving, mechanical files use the least amount of floor space. Mechanical files, however, are expensive, allow only one person to access records at one time, and can be the victim of power or equipment failures. Also note that mechanical files, due to their weight, require a high structural floor load capacity.

Moveable shelves (high density files) -- mobile files are open shelf files constructed on tracks which enable them to move. As only one aisle is necessary per several rows of shelving, moveable shelves provide space savings of over 40%. Moveable shelves, however, are expensive and allow only one row of folders to be accessed at a time. Like mechanical files, due to their weight, moveable shelves require a high structural floor load capacity.

If your office might move locations, special assistance will be required to move this equipment.

Common Filing Problems

Too many filing places.	Centralize filing of records of common interest in one location under one supervisor. File specialized records in area where handled, but follow established handling procedures.
Everybody a file clerk.	Centralize authority with responsibility. Allow only designated persons to use files except in emergencies.
Files don't keep pace with agency's progress.	Check size of alphabetic breakdown to see if it is adequate. Check type of alphabetic breakdown to see if it fits customer search patterns.
Files disordered; show no particular plan or arrangement.	Pick a ready-made, engineered system that best fits your needs. Adjust it, if necessary, as time goes on.
System doesn't fit the way material is called for	Study the possibilities of using subject, geographic, or numeric filing, for certain specialized materials.
Filing decisions erratic	State a filing procedure manual and then USE it! Don't depend on snap judgment or the opinions of others. When a problem arises, make a ruling, then write it down.
Takes too long to find a folder	Have an index guide for each inch of active drawer space or each six to eight folders. Twenty-five guides per drawer or shelf provide the best efficiency.
Same trouble with card files.	Have no more than thirty cards to a guide in an average reference file; no more than twenty in an active or growing one, and definitely no more than ten to fifteen to a guide in a posted record file, such as a ledger.
File drawers/shelves jammed too tight.	Allow 3 to 4 inches of working space in drawer and shelf files, 1 to 2 inches in card files.
Bulging folders slow down filing speed.	Have no more than twenty-five sheets per folder for best efficiency; do not exceed fifty.
Folder tabs difficult to read	Use gummed labels; they strengthen and add legibility. Use reinforced tabs when reference is frequent. Use a good grade of material for active files.
Folders out ofsight	Use stiffer folders. Use scored or bellows folders for better expansion.
Folders wear out too soon	Use at least an 11-point folder for frequent use out of the file; 14-point or pressboard for heavy use.
Trouble finding material before it is filed	Hold the material arranged for filing in a sorting device.
Getting papers into the folders takes too long	Use sorting device to completely arrange the papers.
Trouble finding missing papers or cards	Keep track of removed papers and cards with out guides or folders.

Attachment #3

WELLS FARGO ADVISORS

What to keep, where to store and when to shred

A guide to safekeeping and managing paper records

Below is a list of what you need to keep, where we recommend you keep it and when you can discard it. Keeping these records stored safely, where you and others can find them, can save you time and greatly increases the likelihood that they will not get lost.

Tax and investment documents	Store in:	Shred after:	Copies to:
Annuity contracts	Locked filing cabinet	Annuity paid out	
Bank statements & canceled checks	Locked filing cabinet	7 years	
Credit card statements	Locked filing cabinet	7 years	
Form 8606	Locked filing cabinet	7 years after IRA is liquidated	
Home purchase/improvement*	Locked filing cabinet	10 years after home is sold	
Investment account statements	Locked filing cabinet	7 years after investments are sold	
Loan agreements	Locked filing cabinet	10 years after repaid	
Pension plan documents	Locked filing cabinet	Never discard	Financial Advisor
Real estate purchase/improvements	Locked filing cabinet	10 years after sold	
Stock/bond certificates	Fire and burglar resistant safe	N/A — Surrender upon sale	
Tax return/supporting documents	Locked filing cabinet	Never discard	

**Deeds, surveys, title policies, blueprints, loan papers, receipts, etc.*

Originals you may need	Store in:	Shred after:	Copies to:
Adoption papers	Bank safety deposit box	Never discard	Executor, Lawyer
Birth certificate	Fire and burglar resistant safe	Never discard	
Cemetery deed	Fire and burglar resistant safe	Never discard	Heir
Citizenship papers	Bank safety deposit box	Never discard	Executor
Death certificates	Locked filing cabinet	Never discard	Executor
Diplomas	Fire and burglar resistant safe	Never discard	
Divorce decree	Bank safety deposit box	Never discard	Lawyer
Guardianship arrangements	Fire and burglar resistant safe	Never discard	Executor, Guardian
Health/immunization records	Fire and burglar resistant safe	Never discard	Doctor
Household inventory with photos	Bank safety deposit box	Never discard	Insurance Agent
Lawsuits	Bank safety deposit box	Never discard	Lawyer
Marriage certificates	Fire and burglar resistant safe	Never discard	Executor
Medical directive	Fire and burglar resistant safe	New one signed	Doctor, Heir
Military discharge	Bank safety deposit box	Never discard	
Naturalization certification	Fire and burglar resistant safe	Never discard	
Passports	Fire and burglar resistant safe	Shred after replaced	
Powers of attorney	Fire and burglar resistant safe	New one signed	Attorney-In-Fact
Real estate deeds	Fire and burglar resistant safe	10 years after sold	
Retirement plan benefits	Fire and burglar resistant safe	Never discard	Financial Advisor
Social Security card	Fire and burglar resistant safe	Never discard	
Trusts	Fire and burglar resistant safe	New one signed	Executor, Heir
Vehicle titles/warranties	Fire and burglar resistant safe	Vehicle is sold	
Veteran's papers	Bank safety deposit box	Never discard	
Wills	Fire and burglar resistant safe	New one signed	Executor, Heir

Other documents	Store in:	Shred after:	Copies to:
College financial aid	Locked filing cabinet	10 years after repaid	
Employment contract	Fire and burglar resistant safe	Change jobs	
Insurance policies/invoices	Locked filing cabinet	1 year after termination	Agent
Letter of last instructions	Fire and burglar resistant safe	After writing a new one	Executor
Loan statements	Locked filing cabinet	10 years after repaid	
Passwords	Fire and burglar resistant safe	Change password	
Personal property tax receipts	Locked filing cabinet	2 years	
Property tax assessment	Locked filing cabinet	New one arrives	
Receipts (items under warranty)	Locked filing cabinet	Warranty expires	
Receipts (expensive items)	Fire and burglar resistant safe	Item sold or donated	
Social Security statement	Locked filing cabinet	New one arrives	Financial Advisor
Vehicle registration	Locked filing cabinet	New one arrives	
Warranties (with stapled receipts)	Locked filing cabinet	Dispose of item	

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