

Big space savings

from retention scheduling of files

Throw out unnecessary documents, send inactive files off-site, and keep only those that are active. The trick is knowing which.



By David
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The space occupied by documents can be reduced by up to 80 per cent by the choice of the most appropriate filing equipment and supplies, as described in the previous article in this series (*CFM&D*, April 2001, page 8).

What equipment and supply changes alone cannot do is reduce the actual number of documents you manage. If you are still trying to reduce the space occupied by documents in your organization, you need another tool in your arsenal — records retention scheduling.

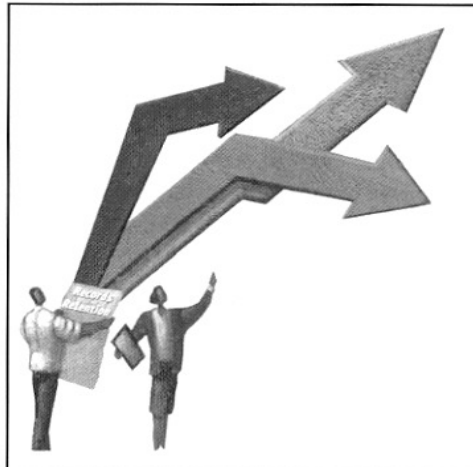
How long?

Most organizations do not have a formal policy for how long documents must be kept. There is often a verbal understanding or rule of thumb. You will often hear people say that documents must be kept for seven years. This seven-year rule is a sort of urban legend. It has no real basis in law. Very few organizations go to the time and trouble of researching exactly how long documents should be kept. Fewer still keep track of the laws governing that time frame.

Urban legends aside, there is no one law that tells you how long to keep your documents. In Canada, there are over twelve thousand different federal and provincial legislative citations that require organizations to keep documents. The retention periods they specify range from less than one year to permanently

and just about any period in between. Some citations start from a particular event, such as when an employee leaves a company. Others tell you to keep the documents but don't say for how long. Still others just imply a retention period for documents by specifying a limitation period for litigation.

Don't panic. Not all of these citations will apply to your organization. Many citations only apply to a very narrow



or specific group of specialized documents. Others will not apply to your industry or your jurisdiction. Even so, a thorough legislative review will identify about a hundred legislative citations, and more if the business operates in multiple jurisdictions.

Legislative citations are only part of the retention scheduling decision. You also have to consider how long employees need the documents to do their work. This is often a shorter period of time than the legal requirement, but not always. You also need to confirm how far back your auditors want you to keep your documents.

The art of retention scheduling is to

balance all of these different needs for documents and arrive at one policy on how long each category of documents should be kept. Once you come up with this policy, you will need the approval of your senior management, your legal counsel and your auditors to give your retention schedule the weight of corporate policy.

If you're thinking that this is a lot of work, you are right. You are also right if you think that it takes expertise and experience to do it well. It is an investment but there are substantial benefits.

Two thirds off

There is an industry standard in records management known as the "rule of thirds".

Experience in the field has shown that once a records retention schedule is put in place, the documents fall into three roughly equal sized groups: active, inactive and unnecessary. Active documents stay in the office but they are given a retention period for later purging. Inactive documents are taken out of the office and placed in storage. Unnecessary documents are destroyed.

So, when the work is done, the office space occupied by records is cut by another two thirds, not to mention the many administrative benefits we achieve just by getting things cleaned up and better organized.

Next issue: how to organize and protect those inactive records that end up in offsite storage.

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