

Records Management Guidance to California Licensed Professional Fiduciaries

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A. GENERAL

PFAC recognizes the importance of appropriate treatment of records. Every Fiduciary has responsibilities for records. The PFAC Records Management Committee assists PFAC leadership in instructing Fiduciaries in their records management responsibilities.

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, 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 sole 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 first. (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. Records Retention Schedules

Records and information systems must be maintained according to retention schedules approved by PFAC leadership. 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. The PFAC Records Management Committee is responsible for developing retention schedules that accurately reflect the nature and content of CLPF's records and information systems. Retention schedules state a time period for the records to be maintained and this is regardless of format.

- a. 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.

4. 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.

- a. 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, storage devices, and all electronic devices holding relevant information.

5. Regardless of Format—Media Neutral

While 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.

6. 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.

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

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.

- i. Documents discarded with personal identifying information should be shredded and not thrown whole into the trash or recycling.
- ii. Document shredding should leave confetti no larger than 3/16" of an inch.
- iii. If and when paper case files and documents are shredded it should be done according to the PFAC Retention Schedule by a reputable shredding company that will allow you to witness the destruction.
- iv. 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.
- v. 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 know 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 employee 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:

1. reviewing an independent audit of a disposal company's operations and/or its compliance;
2. obtaining information about the disposal company from several references;
3. requiring that the disposal company be certified by a recognized trade association;
4. 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 PFAC Retention Schedules to newer compatible electronic storage.

Remember, that which you did not destroy according to PFAC 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 *loss/less* (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. 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), the National Records Center (NRC) 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 PFAC retention schedules.

Destruction of records stored in the records center is not automatic when the retention period expires. The records center notifies the Fiduciary on a 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 x 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.

13. 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.

14. 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.

Family papers 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. The enclosure itself should be made of stable permanent quality materials that will not contribute to the document's deterioration.

Avoid the use of:

- Pressure-sensitive ("Scotch") tape.
- Rubber cement.
- Metal paper clips.
- Acetate sleeves from office supply stores.
- Self-adhesive album or scrapbook pages.
- Manila envelopes.
- 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 Email: info@lightimpressionsdirect.com

Metal Edge, Inc.
6340 Bandini Ave
Commerce, CA 90040
Phone: 800-862-2228
Fax: 888-822-6937
Email: info@metaledgeinc.com

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

Additional Resources

Organizational Bodies

[Association of Records Managers and Administrators](#)

[National Archives and Records Administration](#)

[Society of American Archivists](#)

Expert Thought Leaders

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

[Information Requirements Clearinghouse by Donald Skupsky, Esq](#)

APENDIX ONE
PFAC RETENTION SCHEDULE

ADMINISTRATIVE AND ORGANIZATIONAL RECORDS ABOUT THE
BUSINESS (NOT THE CASE FILES)

NO.	RECORDS SERIES	DISPOSITION
1.	Annuity Contracts	Annuity Paid Out
2.	Bank Statements and Canceled Checks	5 Years
3.	Business Inventory With Photos (Annual)	5 Years
4.	Credit Card Statements	5 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	5 Years
9.	Insurance Policies/Invoices	1 Year After Termination
10.	Law Suits	5 Years After Case Settlement
11.	Loan Statements and Agreements	5 Years After Termination
12.	Office and Home Office Improvements	5 Years After Completion
13.	Passwords	Retain Current Document. Destroy Earlier Versions.
14.	Property Tax Receipts	5 Years
15.	Property Tax Assessments and Receipts	5 Years
16.	Real Estate Deeds	Never Discard
17.	Receipt (Items Under Warranty)	Warranty Expires
18.	Receipts (Expensive Items Over \$500.00)	Item Sold or Donated
19.	Receipts (Lesser Valued Items)	5 Years
20.	Retirement Plan Benefits	Never Discard
21.	Stock/Bond Certificates	Surrender Upon Sale
22.	Tax Return With Supporting Documents	5 Years (Or Never Discard-Discuss*)
23.	Vehicle Registration	New One Arrives
24.	Warranties (With Stapled Receipts)	Dispose of Item

PFAC RETENTION SCHEDULE

CASE FILES

1.	Client Case Files	5 Year 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

Record Keeping for Positions of Trust

Paige Eldredge

Note:

The following is the intellectual property of Instructor Paige Eldredge, Instructor in the Fiduciary Management Program at California State University, Fullerton. PFAC thanks her for granting permission for using this version of her work.

General Guidelines for Record Keeping

There are a million checklists, forms, things to do lists and examples as there are fiduciaries. The forms presented in this module are a few selected from my personal files and records. I have selected some of the basic examples to help you get started. Since I have started teaching this course I have talked with other fiduciaries and there are as many ways to set up records and files as there are colors in the rainbow. It doesn't matter how you set up your files as long as you document what you do and keep a record of how and why you did it. Hence "Record Keeping". After you have reviewed this section maybe you can design and share with us a sample of a form or worksheet that you think could be useful to you.

I guarantee you that by the time you get done with this section you will be tired of reading the words "Document" and "Record Keeping". But I can't stress to you enough how important it is to do both. You might think your memory is excellent but if you don't document it or record it you won't get compensated for it.... All this record keeping creates the foundation for everything you do. It will help you prepare your inventory, take care of your client, formulate your accounting, document for your compensation.

The files are presented to you so that you will have an idea of how you should keep your own records.

BUT

The FIRST and most important item that I believe is the vital to you is the, DATE STAMP. You can have all the electrical toys, software, etc... but the most important item to use is the date stamp. You should date stamp every item when it comes into your possession. With the US Postal service sometime being a slow as they are you need to protect yourself by date stamping in you

correspondence. If the postmark is different then the date on the letter I would suggest you staple the envelope onto the document received:: DOCUMENT

The Second thing is if you have a fax machine, set the machine up to print off a report that confirms incoming and outgoing fax numbers with time and date. Keep those reports in a separate file. Note the confirmation number on the fax cover sheet or attach the single confirmation to the correspondence. But keep a master file of the reports generated for income and outgoing faxes. Some day someone will state they faxed you a letter and you can check to see if you received it or not. Or some one will state they never received your fax and you can send them a confirmation that it was sent and delivered. ---Record Keeping

Whenever I get a new client I immediately start up the following files:

1. Legal
2. Correspondence
3. Bank
4. Taxes
5. Medical

The next are set up if they applicable to the account:

6. Real Estate
7. Auto
8. Investment

Remember that these are only examples of my own files. You will find that you will want to modify them or use some other method that is more convenient and affective for you. That is a good thing. The purpose of record keeping is so that you will have at hand all of the necessary information for managing the account efficiently and effectively so use what works best for you! But if you find that you have something super to share with us please do so...

Goals

- You will learn what files I use to organize my own office.
- You will see what documents are kept in the different files.
- You will learn about a variety of information keeping documents.
- You will learn when a document should be used.

Topics

The topics in this Module are:

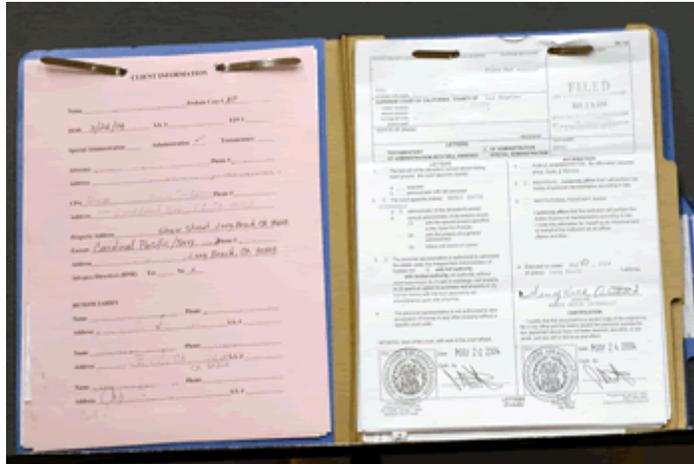
- ▶ [File](#)
- ▶ [Banking Files](#) (P0)
- ▶ [Correspondence File](#) (P0)
- ▶ [Real Estate File](#) (P0)
- ▶ [Personal Property File](#) (P0)
- ▶ [Automobile File](#) (P0)
- ▶ [Bill File](#) (P0)
- ▶ [Miscellaneous Death Or Burial Information Forms](#) (P0)
- ▶ [Miscellaneous Cash Forms](#) (P)
- ▶ [Miscellaneous Securities Forms](#) (P)
- ▶ [Miscellaneous Tax Forms](#) (P)
- ▶ [Miscellaneous CYA Forms](#) (P)

File Folder

Use a firm stock covered folders for this file because you will use it a lot, and a firm stock cover will stand up to the punishment better than one made of some soft material. Make sure that it holds letter sized paper (8 1/2 x 11 inches). It is also very helpful if it has many interior folds.

Remember U.S. federal and state courts abandoned legal size paper and filing over 20 years ago because of the expense and inefficiency. Make sure all equipment and products are letter sized.

The graphic shown below is an example of what a typical, complete file looks like.



Contents

The following organization list is a recommended structure for the File Folder.

First Double Side

Left side - keeps clients personal information. Details on the documents kept in this section are discussed below in the Personal Information section.

Right side - the documentation that has placed you in the fiduciary position which are the letters or court orders. This makes it easy to find your court issued instruments if there is a need to verify your authority.

Second Double Side

Left side - This side contains all documentation that was needed to put your Inventory and Appraisal to together. On top of the pile you put your complete I & A when it returns from the referee. The Inventory and Appraisal will be covered in detail in the next module.

Right side - On this side you put all documents including your accountings, petition, and orders.

Third Double Side

Left side - On this side you put copies of wills or trusts that you will have to refer to regularly. Also any subsequent orders that have been ordered on this file.

Right Side - On this side you put any legal correspondence that you want to keep handy or that might get purged on an annual basis in the regular correspondence file.

Examples of the individual forms and documents that appear in the first section of the File are shown below. Each one is an item that I have found useful for storing information necessary to manage the account.

HANDY IDEA!!!! As you can see section that have several documents in them I usually index them with tabs and table of context. It looks neat and organized plus it is so easy to review the index and go directly to the tab. The index should have a date included. See below

1.) Inventory & Appraisal 09/02/03

2.) Valued I&A 11/01/03

Personal Information

Client Data

The following are two examples of information to keep in your file are from a conservatorship account. It is important that you develop a form that provides a quick scan of information so that you can quickly review a case.

The Examples: are from a Conservatorship cover sheet. It includes personal information ie: Date of Birth, Social security number, Place of residence, doctors information etc. click to look at it closer

A Probate case the following information should be readily available:

- The Date of Death,
- Social security number,
- Estate tax identification number (EIN),
- Your attorney's name and phone number, and

ADVICE TO BORROWER

Information concerning residential mortgages

Name _____
 Title of Borrower _____
 Date of Birth _____
 Social Security Number _____
 Property Tax Number _____
 Address of Full Owner _____
 Address of Borrower _____
 Address of Institution of the Mortgage Loan _____
 Date of Institution _____
 Date Received _____

REPAYMENT SCHEDULE

Number of _____
 Amount of _____
 Date of Payment _____
 Amount of _____

Banking Files

The graphic shown below is an example of what a typical Banking File looks like.



Forms

The following documents are examples of the records you should maintain related to the banking transactions of your client. Use a top-punched two hole manila folder. One file folder should be dedicated to each separate account. Label the file with financial institution name, i.e.---Well Fargo or Bank of America for example, the clients last name or client number and the account number. If you have multiple accounts at a one-name bank, make separate file folders for every account.

When you start out and have marshaled the account into your name as the fiduciary (Conservator/Trustee/Personal Rep) keep or obtain the original statement that encompasses your appointment date/DOD to verify your beginning balance. You will need it for your I&A

COPY ALL CHECKS for DEPOSIT: Keep the copy and staple the deposit receipt slip on to the check. Because in one year if you can't recall exactly what the deposit was for--- when you are preparing your accounting ...guess what you have a complete copy of it in your banking file. I usually circulate out my "working checking" account file every year and start a new file.

Deposits

On the left side of the file folder put:

- All the deposits related to the account.
- Copy the entire check and after you have made your deposit staple the deposit slip on to the copy

On the right side of the folder you will place:

- Monthly reconciled statements,
- Renewal letters, and
- Notations that you make about the account



T-Bill/CD Remainder

Once you have completed this form place it in your bank file on the right hand side of the folder. You might think that you will remember what you wanted and why you wanted it, but next year, when you are putting together your accounting you will have forgotten. Keeping this file updated will help you later when you need the information quickly.



Correspondence File

This is a regular letter size file folder with 2” holes punched in the top and inserted with prongs. I secure all material with holes punched on the top to avoid interfering with any text on the documents.

Remember that if you look on the left side of your file every document in there should have a date stamp on it. The right side is a hard copy of every letter you have generated and was sent from you. Don't think you can save everything in your computer....

With today's electronic communication (email) it is suggested that you print out all emails and include them in your correspondence files.

Remember if you have read it, or written it.... the time should be documented on your time summary. RECORD IT!!!!

Incoming correspondence on the left side:

- Letters
- Faxes
- Notes

Outgoing correspondence on the right side:

- Make a hard copy of every letter that you send out with your signature

The graphic shown below is an example of what a typical Correspondence File looks like.



Real Estate File

The graphic shown below is an example of what a typical Real Estate File looks like.



Roll your mouse over icon to change the image

Forms

The following forms should be found in the Real Estate File Folder.

Property/Title Profile

This is one of the first things you should do when you are assigned to a case that involves real property. This can usually be ordered through a Title company or your favorite realtor. The profile shows you a lot of information.



Click on the graphic for a detail view.

- **Mailing Address:** This is the address to which the tax bill is addressed. Of course you will be filling out a change of ownership so the tax bill will be coming to you...YES!
- **Parcel Number & Map Number:** You will need this for property taxes and your I & A.
- **Property Characteristics:** The insurance carrier needs this information, you can double check on your first inspection that no additions or changes have happened to the property (Legal additions).
- **Sale & Loan Information:** This will inform you if you have loans against the property.
- **Assessment & Tax Information:** This area has a lot of information with regards to taxes and if the taxes are current.
- **Legal Description:** This is the information that is needed for your I & A.
- **All recorded documents that have been filed with the county:** this report will advise you of all changes of ownership, judgments, and deeds.
Note: make sure you or your attorney files a "change of ownership" with the county. And you have your "letters" recorded in the applicable county

Real Estate Profile/In house use only.... What do you see?

This is an internal record keeping information document. This list of questions has been furnished by a local referee. It is helpful to send this completed profile to the referee with your I & A. List everything so that you don't get an outrageous value from the referee.

You want to make sure that your house gets the right appraisal.

- How many of our seniors have updated their kitchen?

- How many have added spas or pools or other features to their homes?

When the children move home they'll see there has been some sort of remodeling because they will remember what the state of the home was and how it has changed over time, but you won't. To ensure that this is part of the appraisal you need to let the referee know that there was remodeling and updating because you want them to compare prices with other homes that have been remodeled rather than those that have not.

As they say a picture is worth a thousand words. Usually it can be worth thousands of dollars here in the real property. ALWAYS, always photograph real property. Try and photograph all views of the house. Include things like: roof condition, eaves (wood rot) condition of the paint, landscape, etc. Try and do this as a BEFORE picture. Document the condition of the property before you make any changes or clean up anything....

REAL PROPERTY REPORT

DATE: _____

PROPERTY ADDRESS: _____

APPRaiser: _____

PROPERTY TYPE: _____

APPRaisal DATE: _____

APPRaisal TIME: _____

APPRaisal LOCATION: _____

APPRaisal METHOD: _____

APPRaisal PURPOSE: _____

APPRaisal SCOPE: _____

APPRaisal ASSUMPTIONS: _____

APPRaisal DISCLOSURES: _____

APPRaisal LIMITATIONS: _____

APPRaisal EXCLUSIONS: _____

APPRaisal RESERVATIONS: _____

APPRaisal COMMENTS: _____

APPRaiser SIGNATURE: _____

APPRaiser TITLE: _____

APPRaiser LICENSE NO.: _____

APPRaiser EXPIRES: _____

APPRaiser STATE: _____

APPRaiser COUNTRY: _____

APPRaiser CITY: _____

APPRaiser STATE: _____

APPRaiser ZIP: _____

APPRaiser PHONE: _____

APPRaiser FAX: _____

APPRaiser EMAIL: _____

APPRaiser WEBSITE: _____

APPRaiser SOCIAL MEDIA: _____

APPRaiser OTHER CONTACT INFO: _____

APPRaiser NOTES: _____

APPRaiser SIGNATURE: _____

APPRaiser TITLE: _____

APPRaiser LICENSE NO.: _____

APPRaiser EXPIRES: _____

APPRaiser STATE: _____

APPRaiser COUNTRY: _____

APPRaiser CITY: _____

APPRaiser STATE: _____

APPRaiser ZIP: _____

APPRaiser PHONE: _____

APPRaiser FAX: _____

APPRaiser EMAIL: _____

APPRaiser WEBSITE: _____

APPRaiser SOCIAL MEDIA: _____

APPRaiser OTHER CONTACT INFO: _____

APPRaiser NOTES: _____

Real Property Report

This is an example of a check list that you should go through to make sure you have covered mortgage information, insurance information or anything else.

REAL PROPERTY REPORT

DATE: _____

PROPERTY ADDRESS: _____

APPRaiser: _____

PROPERTY TYPE: _____

APPRaisal DATE: _____

APPRaisal TIME: _____

APPRaisal LOCATION: _____

APPRaisal METHOD: _____

APPRaisal PURPOSE: _____

APPRaisal SCOPE: _____

APPRaisal ASSUMPTIONS: _____

APPRaisal DISCLOSURES: _____

APPRaisal LIMITATIONS: _____

APPRaisal EXCLUSIONS: _____

APPRaisal RESERVATIONS: _____

APPRaisal COMMENTS: _____

APPRaiser SIGNATURE: _____

APPRaiser TITLE: _____

APPRaiser LICENSE NO.: _____

APPRaiser EXPIRES: _____

APPRaiser STATE: _____

APPRaiser COUNTRY: _____

APPRaiser CITY: _____

APPRaiser STATE: _____

APPRaiser ZIP: _____

APPRaiser PHONE: _____

APPRaiser FAX: _____

APPRaiser EMAIL: _____

APPRaiser WEBSITE: _____

APPRaiser SOCIAL MEDIA: _____

APPRaiser OTHER CONTACT INFO: _____

APPRaiser NOTES: _____

APPRaiser SIGNATURE: _____

APPRaiser TITLE: _____

APPRaiser LICENSE NO.: _____

APPRaiser EXPIRES: _____

APPRaiser STATE: _____

APPRaiser COUNTRY: _____

APPRaiser CITY: _____

APPRaiser STATE: _____

APPRaiser ZIP: _____

APPRaiser PHONE: _____

APPRaiser FAX: _____

APPRaiser EMAIL: _____

APPRaiser WEBSITE: _____

APPRaiser SOCIAL MEDIA: _____

APPRaiser OTHER CONTACT INFO: _____

APPRaiser NOTES: _____

Real Property General Inspection

This is an example of what you should be noting and looking at when you do an inspection of the real property. This is just an example of an exterior exam. The

I suggest that if you have a renters association relationship and that you maintain it so that you can use their services and get forms needed for managing rental properties belonging to your clients and credit checks. Make sure that you have an authorized and up to date version of this document. Also have documented authorization by your prospective tenant to do a credit check on them.



Preliminary Change of Ownership Report

Make sure this is done and the tax information is done... You will be signing on the I&A cover sheet that you have done this so make sure you or your attorney has prepared it.....



It is very important to keep track of all personal property. Not only to inventory the property but also to keep track of where it is located. Property has a funny way of walking off by itself.

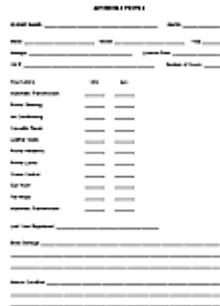
Remember that if you purchase a TV, a wheel chair, or a car, or any such item they not only have to be included in the personal property inventory, but you also have to note them on your accounting.

Inventory of Paperwork Received form Household/Facility

The following document is an example of a list that you should make of all personal property and paper work. If you are removing anything from a house,

Automobile Profile

An important part of any inventory will be the car. The following example document includes a list of the questions that the referee will ask you about your client's automobiles. Remember once again to include several pictures of the car. Make sure they are of enough detail to record any damage or to note the lack of damage to the vehicle.



The image shows a form titled "AUTOMOBILE PROFILE". It contains several sections for data entry:

- General Information:** VIN, Year, Make, Model, Color, Mileage, License Plate, and Number of Owners.
- Features:** A table with columns for "YES" and "NO" for various features: Air Conditioning, Power Windows, Power Locks, Power Seats, Power Mirrors, Power Windows, Power Locks, Power Seats, Power Mirrors, Power Windows, Power Locks, Power Seats, Power Mirrors.
- Other Information:** Kelley Blue Book Value, Make, Model, Year, Mileage, License Plate, and Number of Owners.

Include the Kelley Blue Book value of the automobile at the time of the record creation. Note and describe any damage to the vehicle. Make sure that the car is currently registered and insured. If the car is currently being stored off the street you can obtain no-operation registration for the vehicle and a small fraction of the cost of normal registration.

Insurance

If the vehicles are being used by a caregiver or by your client make sure you have sufficient coverage.

Registration

Check with your attorney how to keep the registration current on a conservatee car if they no longer have a valid drivers license. If it is a Trust asset double check with your attorney to make sure you want it in the trust.

This document is very important for your I&A it will contain all the information that you need.....

Bill File

The graphic shown below is an example of what a typical Bill File looks like.



Bill Profile

In your bill file you should have the original invoice from the vendor. You should either stamp it with a PAID stamp with the date and check number or order multi-part checks and staple a portion of the stub onto the bill. Place the bills in there chronologically and keep to reference for your ACCOUNTING.

Miscellaneous Death Or Burial Information Forms

Spouse's Death

If you can obtain a copy of the death certificate of your client's spouse, which has a lot of information on it, that could help you with your client. It lists the funeral home and burial location. This is a helpful checklist for your records.

Printed Name _____ Birth _____
Date of Birth _____
Place of Birth _____
Place of Death _____
Funeral Home or Burial Location _____
Number of Spouse's _____ for _____ by _____

Check Request Form

Check Number

1. What are the other accounts you have a withdrawal to transfer?

2. What are the bank and branch to transfer? If in LHM state?

3. Do you have any other accounts and the account for the transfer please in LHM state?

4. How much are the cash and payment to pay you or cash?

5. How much of the cash and payment to pay you or cash?

Miscellaneous Cash Forms

There are times when you need to write a check to yourself to obtain cash for some reason or another. This next section is how to handle that and keep a record of what happened.

Check Request

When you are requesting a check for either cash or payment to; a not yet received invoice, or payment to a beneficiary fill out a check request. Again, this is not for today, it is for next year when you are putting an accounting together and you know you had a reason to make a disbursement but you sure can't remember now **why**? If you have a Trust beneficiary that needs money the check will be made out to him or her but at least you have a document when and why they requested the funds.

Check Request

Check Number

Receipt

If you deliver cash to anyone, your client, their caregiver, a family member this is your proof that the check that was made out to you was for CASH not to pay yourself.



Stock or Bond Power

This is a generic form that most of your stockbrokers will require to be filled out.

When I go to a safety deposit box and I spy all the certificates, I've known they have them because I have been receiving the dividend checks but now I have found the certificates, I found that it is more time efficient to deal directly with the transfer agent to get the certificate in my name, an then taking the certificate after it has been issued in my name, bundling up the certificates and having them held in straight name by somebody, Smith Barney, Merrill Lynch, etc.

If they have a trust account open, then you can go to the broker and they can transfer those into the account.

For your inventory you will need to note if you have the certificates or if they are held as book entry. Document for the I&A..... Note to follow that your receive in all dividends for the income on the Accounting, note any change in assets//like stock splits for your accounting schedules... record keeping!!!!

What if you cannot get stock certificates issued such as in the case of ATT? They no longer issue certificates they simply hold them as book entries. ATT is saying, OK you have 200 shares with us and it is book entry, in other words it is recorded in our book even though we do not issue you a certificate for the stocks.

When you go to the deposit box and you find stock certificates when you write the transfer agent you will say something like: enclosed find the certificates # xxx it needs to be transferred to Wendy Osterholt conservator for JD. Please check any and all other holdings under this SSN and check for all book entries and please issue and change the above.

The transfer agent will then check to see if there are other certificates. Some companies split and rather than issuing new certificates they simply keep it as a book entry. This is a method you can use to turn up other assets that exist in someone else's records concerning your client.

Miscellaneous Tax Forms

W-9 Forms

Don't be afraid to sign the W-9 forms. Make sure you put in their (the conservatee's, Trust TIN#/EIN #) SSN or the Trust Tax Number. You are going to have signed these to open an account.

A scan of a W-9 form, titled "Request for Taxpayer Identification Number and Certification". The form includes fields for name, address, and Social Security Number (SSN). It also contains a section for "Other Identification Number" and a "Signature" section at the bottom.

SS-4 Form

This is an application for Employer Identification Number. You will need this form when you get appointed as Successor Trustee or administrator on any account. You will need it to get a new tax identification number when you are appointed.

Estates: When you get appointed as an administrator on a decedent's estate you will use the decedent's SSN (item 7b) and (item 8a) estate (SSN of decedent).

This form and others, are available on line @ www.irs.gov .

A scan of an SS-4 form, titled "Application for Employer Identification Number". The form includes fields for name, address, and Social Security Number (SSN). It also contains a section for "Other Identification Number" and a "Signature" section at the bottom.

Decedent's estate: Their SSN is no longer a valid tax reporting identification number. You have to get an EIN (Estate Identification Number) Because

everything that estate does has to be reported under that number. You are starting a new entity once the person is dead.

When you go into a trust, when the trustor or grantor and the trustee are the same person, they use their SSN. Then when I go out as the trustor and write up my own trust I use my SSN. When they appoint you as my successor trustee when you take over to handle the trust assets you will use my SSN on that form to obtain a trust tax EIN for the trust. I can still get my income and she can still be issuing me K1's for the end of the year for the income that the trust has given to me. Your CPA will work it out with you to see if they will show an information form coming the income from the trust to me as the trustor. Supposed that you quit and he is appointed as the successor trustee, does he go out and get another EIN... no he fills out form 56, Notice Concerning Fiduciary Relationship. See below.

Form 56

Form 56 is important when you are a conservator. Usually your CPA or attorney will fill it out for you the first time.

In a conservatorship when you file your first conservatorship tax return, you are going to make sure that form 56 is included and your letters of conservatorship are included.

When you file your first estate tax return, you will most likely be filing your decedent's last personal return. Make sure that you include in the decedent's return your letters of administration authorizing you to be able to sign it.

Then when you send in your fiduciary estate return, make sure that your letters of administration are included along with the death certificate. Your CPA will walk you through what forms go.

The image shows a portion of Form 56, titled "Notice Concerning Fiduciary Relationship". It includes fields for the fiduciary's name, address, and the decedent's information. The form is partially obscured and has a low resolution, but the header and some input areas are visible.

Form 4810

Request for Prompt Assessment. On estates, when you are acting as an administrator, get one off for the decedent's personal return so that they make a sure that all of his information for his return has been evaluated.

For your final fiduciary return, if your estate is open more than 1 year, get his prompt assessment out after his final return because in your final petition on the estate, are you not only going to ask for your fees, your attorney's fees and the permissions for all the distributions you are also going to ask for a reserve for any tax or costs... because if there is any mistake on your tax returns you want some money left in the account

Theses prompt assessments are taking 18 months to clear. You get a letter that has says in 18 months saying, if you haven't heard from us in 2005, assume acceptance. Immediately write a letter to the beneficiaries, telling them that here is the date upon which you will be able to release the reserve funds. Then you won't hear from them until that date. This way you will not waste time handling inquiries concerning the remaining funds.

A small, low-resolution thumbnail image of Form 4810, titled "Request for Prompt Assessment". The form includes fields for "Name of Administrator", "Name of Decedent", "Date of Death", and "Date of Assessment". It also contains checkboxes for "Request for Prompt Assessment" and "Request for Extension of Time to Assess".

Record of Research of/ Access To Estate Assets

This document contains information about each asset account. Remember to fill this document out each time you marshal an asset.

A small, low-resolution thumbnail image of a "Record of Research of/ Access To Estate Assets" form. The form is organized into three main sections, each with a header "NAME OF FEDERAL INSTITUTION" and "ACCOUNT INFORMATION". Each section contains a table with columns for "ACCOUNT TYPE", "ACCOUNT NUMBER", "ACCOUNT BALANCE", and "ACCOUNT STATUS".

Miscellaneous Forms

Address Change Forms

The change of address form should be filled out immediately after your appointment to the case. It is suggested a letter, along with copies of your "Letters of appointment" accompanies the mail forwarding form.

Once you start getting the mail forwarded to you make a note and send a change of address letter. Then you will have a record in your correspondence file that you had notified the companies, organizations, and individuals involved.

If you keep getting mail in the box or PO then complain to the Postmaster. Especially around tax time and Christmas time.

Why are Christmas cards important? This will help you know who writes your client and it will help you turn up information such as a long lost sister, or estranged child or other relative that you did not know existed. If you turn up people like that keep them involved, put the address in your little processor and write back, "Dear friend of Joe Smith, I would like to introduce myself as the court appointed conservator of Joe Smith. He has been placed in this facility. Please forward all other correspondence to me."

Your client will love getting messages from these people and you might turn up some item of your client's business that can be found in no other way. So be diligent and alert.

The form shown below is an example of the online changed of address form that can be accessed online at <http://www.usps.com/moversguide/>

Fill out the change of address form

Name (Help)				
Prefix:	First Name / Initial:	Middle Name / Initial:	Last Name:	Suffix
N/A				N/A

OLD Address	
Street: (Include apt./suite no., if applicable)	
City:	
State:	Select State
ZIP Code:	
Urbanization Name: (For Puerto Rico only, if applicable)	

NEW Address	
Street: (Include apt./suite no., if applicable)	
City:	
State:	Select State
ZIP Code:	
Urbanization Name: (For Puerto Rico only, if applicable)	

Notes to File (confidential)

This is a new form in my packet. It is for filing confidential notes. When you are making notation talking to the family or you have seen something...have a separate file that is confidential so that when you turn over your account to another professional or the family asks questions, these are private notes that help you remember special situations. Keep in mind that they are PRIVATE notes and do not travel with the account to the new manager.

Question: When you give that file or the information to another person, doesn't that obviate the confidential nature of the file?

There are certain confidential files that you can keep for yourself which are not turned over to another account manager. But you always have to be careful that attorney client confidentiality is not compromised.

In attorney communications, when you hire an attorney to represent you the attorney represents you not the estate, not the conservatorship or the trust. Understand that the attorney is representing you, so you need to make sure that they understand their boundaries. You are not representing the beneficiaries, you represent the client. If your attorney does not back you on the

client/beneficiary issues, then you need to get a different attorney. Such as if the attorney makes statements about how the estate should be run they are out of place. The attorney represents you, you represent the client.



APPENDIX THREE

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 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.

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 carousel 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 sight	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.