



PSAB Supplement 21

*Records Retention and
Disposition*

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MANUAL OF PROCEDURES
PSAB SUPPLEMENT 21
RECORDS, RETENTION AND DISPOSITION

PURPOSE

Records Management is the systematic control, creation, maintenance, use, and disposition of records and files in order to achieve adequate and proper documentation of the policies, procedures and transactions of the district, charter school, or Regional Educational Cooperative. By creating and maintaining adequate and proper documentation administration is able to:

- Protect the legal, financial and other interests of the district and the public records of the various stakeholders,
- Ensure continuity and consistency in administration,
- Assist administrators and their successors in making informed decisions,
- Conform to the requirements of law relating to information disclosure.

STATUTORY AUTHORITY

6.20.2.24 C. NMAC Records retention/disposition; The management of school district records shall be in accordance with the Public Records Act, Section 14-3-1 et seq. NMSA 1978.

1.15.5.3 NMAC. Statutory Authority: Pursuant to Section 14-3-6-NMSA 1978.
Administrator duties:

The administrator shall establish a records management program for the application of efficient and economical management methods to the creation, utilization, maintenance, retention, preservation and disposal of official records. The administrator shall establish records disposal schedules for the orderly retirement of records and adopt regulations necessary for the carrying out of the public records act. Records disposal schedules shall be filed with the librarian of the Supreme Court library, and shall not become effective until thirty days after filing date.

- Records management includes the systematic control of all records from creation or receipt through processing, distribution, maintenance and retrieval, to their ultimate disposition.
- The retention period is that period of time during which records must be maintained by an organization because they are needed for operational, legal, fiscal, historical or other purposes.

SCHEDULES FOR RETENTION AND DISPOSITION (R&D)

- ❖ *Administrative Nature* – Records Retention and Disposition Schedule for General Administrative Records, 1.15.2 NMAC,
- ❖ *Financial Nature* – Records Retention and Disposition Schedule for General Financial Records, 1.15.4 NMAC,
- ❖ *Personnel Nature* - Records and Retention and Disposition Schedule for General Personnel Records, 1.15.6 NMAC,
- ❖ *Medical Nature* – Records and Retention and Disposition Schedule for General Medical Records, 1.15.8 NMAC.

TRANSITION AND SUCCESSION

By creating and maintaining adequate and proper documentation a district or charter school is able to:

- Reconstruct the development of the current management's and predecessor's policies,
- Furnish successors with information needed to understand past and present actions,
- Leave an enduring record of the offices' accomplishments,
- Maintain a record of oral decisions and other unusual events that set forth the philosophies of the Board of Education or Governing Councils and ultimately shape the local educational environment, and,
- Meet State Records Center (SRC) rules and federal requirements that govern the retention and disposition of public records.

REPRODUCTION OF RECORDS

Section 14-3-15, NMSA 1978. Reproduction on film, evidence, review, inventory, and approval of systems.

- Public records may be photographed, micro photographed or reproduced on film,
- District officials shall consult with the State Record Center (SRC) on the system to be used,
- Minimum requirements of the New Mexico Commission of Public Records must be met and, microfilm equipment used must be inventoried,
- Photographs, microphotographs or photographic film is designed and considered to be original for all purposes including legal evidence in courts,
- Copies of the public records that are reproduced may be disposed of in accordance with Section 14-3-9 through 11. NMSA 1978, once they are certified by the local caretaker or authorized custodian of records.

While the use of electronic transactions provides many benefits, a recordkeeping system must ensure that records that should be retained are accessible and usable. The records must be retained in a secure environment to guarantee their authenticity and integrity, and the records must be retrievable for their full retention period.

Using electronic formats requires significant commitment to maintenance of the current system, migration to future systems, and system redesigns to ensure that the records remain accessible and usable. The functioning of an efficient and productive system is dependent on hardware and software, and an appropriate system design that is critical to ensuring the accuracy, reliability, integrity, and usability of the records. The system design must take into account the state and federal statutory requirements under which the records are created, the characteristics of the documents, the tasks the district or charter school are required to perform. The programs and functions must be in a secure environment that protects the records from unauthorized alteration or destruction. This type of system should allow multiple user access, with access controlled by assigning specific functions to each user role.

Indexing is critical to the retrieval of electronically stored images, and any system should include safeguards to ensure that documents are correctly indexed. These features will protect against unauthorized additions or alterations and increase control of the creation, maintenance, and changes to records.

STORAGE AND PRESERVATION

School district and charter schools shall preserve public records in accordance with all state and federal guidelines. Adequate storage, including fireproof cabinets or vaults for permanent or sensitive records is a critical component to properly safeguarding public records for the past, present and for the future. For growing districts staff should anticipate additional volume and plan accordingly.

Schools shall maintain and care for public records so that information can be accessed when needed. Files shall be organized and set up with appropriate directories and the filing of materials (in whatever format) be performed regularly and carefully in a manner that allows records to be safely stored and efficiently retrieved when necessary.

PUBLIC RECORDS

"Public Records" means all books, papers, maps, photographs or other documentary materials, regardless of physical form or characteristics, made or received by any agency in pursuance of law or in connection with the transaction of public business and preserved, or appropriate for preservation, by the agency or its legitimate successor as evidence of the organization, functions, policies, decisions, procedures, operations or other activities of the government or because of the informational and historical value of data contained therein. Library or museum material of the state library, state institutions

and state museums, or extra copies of documents preserved only for convenience of reference and stocks of publications and processed documents are not included.

NON RECORDS

"Non-records" means extra copies of documents kept solely for convenience of reference, stocks of publications, records not usually included within the scope of the official records of an agency or government entity, and library material intended only for reference or exhibition. The following specific types of materials are non-records: materials neither made nor received in pursuance of statutory requirements nor in connection with the functional responsibility of the officer or agency; extra copies of correspondence; preliminary drafts; blank forms, transmittal letters or forms that do not add information; sample letters; and reading file or informational files.

CONFIDENTIALITY AND LIMITED ACCESS

1.15.5.8 H. I. NMAC. Instructions:

- ❖ Confidentiality is denoted for each file but all materials in a file may be confidential. Where portions of file may be confidential, refer to legal counsel for agency.
- ❖ Access to confidential documents or confidential files shall be only by authorization of agency or attorney general or by court order, unless otherwise provided by statute. Release of confidential documents to law enforcement and other government agencies shall only be upon specific statutory authorization or court order.

Districts and charter schools shall have policies and procedures that address proper and/or limited access.

RECORDS LIFE CYCLE

Every school district, charter school or Regional Education Center is legally required to manage its records. Records are the evidence of the school's transactions and actions. Employees are responsible for making and keeping records of their work. They have three basic obligations regarding records:

A Records Life Cycle usually consists of the following stages:

- Creation and Receipt
- Maintenance and Use
- Short Term Disposition and Archive

- 1) **Creation and Receipt** – Administration is expected to create the necessary records to do business including recording transactions, decisions, actions taken, and document activities for areas which you are responsible.
- 2) **Maintenance and Use** – Administration shall maintain and take care of the records so that information can be found when needed. This means setting up good directories and files, and filing materials (in whatever format) regularly and carefully in a manner that allows them to be safely stored and efficiently retrieved when necessary.
- 3) **Short Term Disposition and Archive** – Administration shall carry out the disposition of records under its control in accordance with archive policies and procedures established and approved by the district or charter school.

The "Records Schedule" is the main tool used to manage the disposition and archive of records and files. A records schedule is a document that provides mandatory instructions for what to do with records when they are no longer needed for current business. Also, it authorizes the final disposition of recurring or nonrecurring records. The Records Retention and Disposition Procedures document contains the Records Schedule.

All Employees' shall notify the Superintendent, Business Manager, designee or their supervisor of any actual, impending, threatened, or unlawful removal, defacing, alteration, or destruction of records.

PROCEDURES FOR RECORDS MANAGEMENT

To ensure that records are properly retained, each district and charter school is required to follow the retention and disposal (R & D) schedules set forth by the State Records Center (SRC) for public records, with consideration given to their administrative, fiscal, legal, and archival value. Public records listed on the R & D schedules pursuant to 1.15.5.1 NMAC, whether stored as paper, microfilm, digitally, or in some other manner, shall list the specific retention period for each type of record.

The school district or charter school shall establish policies and procedures for the storage and filing of all financial records. Filing procedures outlined below address several categories of school business. Documents that must be addressed with these retention and disposition rules are included below:

Budgetary transactions	Vendor files
Operating Budget	Contracts
Invoices	Grants
Budget Adjustment Requests	Bids/Proposals
Revenue Transactions	Cash Reports
Deposit Slips	Vouchers
Requisitions for Purchase	Trip Tickets
Purchase Orders	Vehicle Maintenance Files
Encumbrance Files	Time Cards
Payroll Information	Journals
Bank Statements	Monthly Reconciliations
Audit Reports	Petty Cash Fund Files

FILING OF PUBLIC RECORDS

All filing done at the district or charter school should be based on a system. Each set of files has keepers and users. Keepers are responsible for the proper maintenance of the files. Users require information contained in the files. Users borrow files from keepers. File keepers establish the rules file users must follow. Keepers may require a sign-out sheet. File keepers may permit direct access or require indirect access. Records owners should conduct a periodic inventory of records to ensure accuracy of records information and the proper disposition of records. Regardless of whether the files are direct or indirect access, only file keepers should re-file borrowed files.

SUGGESTED RECORDS KEEPING AND FILING PROCEDURES:

- ✓ Identify what information is *public record material*.
- ✓ Develop and maintain a *Records Index*. Review and update the Records Index as necessary. The Records Index generally contains the following information:
 - Department Name
 - Location
 - Title and Description of Record Type
 - Cut- off Date
 - Retention Period
 - Destroy Date
- ✓ Complete a Records Inventory Form for each record type.
- ✓ Enter the inventory information into the records database.

- ✓ Determine whether records can be cutoff and either stored or destroyed.
- ✓ Destroy records when the retention period is reached.
- ✓ Pack records to be stored in designated storage boxes that are properly labeled.
- ✓ Complete transmittal form and transfer records to Records Archive Area.
- ✓ Update the records database, if applicable.
- ✓ Provide comprehensive training for file users and those responsible for record management.
- ✓ Identify the permanent or sensitive records and document on Records Inventory Forms.
- ✓ Maintain and protect permanent or sensitive records in fireproof vaults.
- ✓ Identify and document each electronic record on a Records Inventory Form and an Electronic Inventory Form.
- ✓ Maintain and protect electronic records as required.

CENTRALIZED VERSUS DECENTRALIZED FILES

Centralized Files

In centralized files, the files of a unit are maintained in one location. Consider locating files in a centralized file when:

- More than one work unit has need for the same files.
- Units are sufficiently near the central file for prompt service.

Decentralized Files

Consider locating files in a decentralized file when:

- Files are of interest to only one work unit.
- Centralized filing is too distant for efficient service.
- Information must be immediately available to the creator.
- Constant reference is made to the files by a particular organizational unit.

FILING SYSTEMS

Staff may customize the filing systems used at the district or charter school. Neatness and orderliness are essential to filing efficiency. Several methods are discussed below.

ALPHABETIC FILING

Alphabetic filing is sometimes referred to as the “Dictionary” method of filing when files are organized strictly in alphabetical order. Sometimes Alphabetic filing will be referred to as “encyclopedic” when classifications are organized by major sub-heading or geographic distinctions are organized alphabetically. Alphabetic files may include employee records.

NUMERIC OR SEQUENTIAL FILING

Numeric files are organized from the lowest number to the highest number. Numeric files generally require the use of an index. Numeric filing may be by case #, job #, social security #, or they may be filed chronologically. The records in a numeric file may include job files, purchase order records, project records, bid records etc.

ALPHA-NUMERIC FILING

Alphanumeric filing uses both letters and numbers for filing. For example INV-01 might be used for all Inventory transfers included in the first accounting period. Alphanumeric files may include the district or charter schools’ transaction files.

SUBJECT FILING

Subject Filing is encyclopedic or organizing by subject. Generally all subject filing is organized alphabetically. Subject files may include legal, management and safety records.

FILE MAINTENANCE

Neatness and orderliness are essential to filing efficiency. The following will also assist auditors in their research and examinations by saving time and effort to access test materials. The following instructions will assist in maintaining this efficiency.

■ **Identify File Drawers**

Label file drawers to indicate what files, subjects, or names are filed in them. Indicate the year, if appropriate. The disposition schedule number may also be placed on the drawer label.

■ **Prevent Overcrowding the Files**

Allow at least four inches of space in each active file drawer to permit sufficient working space.

■ **Keep Papers Straight**

When placing material in file folders, do not let the papers extend beyond the edges of the folders. Crease or fold papers when necessary.

■ **Avoid Overloading File Folders**

If the contents of the folder increase to the point that papers begin to obscure folder labels, then crease the bottom of the folder leaves at the second expansion line to increase the capacity of the folder. When the folder content reaches 3/4 inches, either:

(1) Add a new folder bearing the same file designation in front of the full folder and show inclusive dates on the folders; or

(2) Subdivide the contents of the folder, if practical, by adding new file designations.

■ **Avoid Cluttering the Files**

Bulky material should be filed in equipment suitable to its size and not mixed with standard size documents. This material can be cross referenced so that it can be readily identified with the related papers in the regular files.

STATUS OF FILES/DATA IN ACTIVE MEMORY

Electronic records generally have less stability than paper or microform records. Users should frequently make backup copies of their files to support the integrity of the electronic records. The credibility and often the legal acceptability of information in electronic records are directly related to the documented procedures for preserving the electronic record's integrity and to periodic reports on the regular practice of those procedures. Regardless of whether backup copies are made automatically, *administrative backup procedures should be established and strictly followed. Standardized procedures are the keys to effective control.*

LABELING AND INDEXING.

■ External Labels. Labels are essential for using electronic records. Labels intended for use on electronic media should include the name or abbreviation of the originating office, software applications (such as Excel, Word, etc.), and the type of computer it was produced on as well as dates and subject area or category of data. *Access restrictions should also be placed on the label.*

■ Internal Labels. Document, file and directory naming conventions for internal labels should be easily understandable and standardized so that authors and their colleagues or successors can find and use information stored on electronic media. Labeling, naming and filing conventions should be simple. One simple but effective system is to file similar documents created during a set time period in the same place.

■ Indexing. Indexing is a relatively simple (although more complex than labeling) way to find electronic documents if a filing system is not used. Indexing of documents by offices is optional and dependent on the size and complexity of the overall operation. An indexing system should contain the following information:

- System Name,
- Information Content,
- Operating System,
- Software Name,
- File Types,
- Media Description,
- Approximate size and,
- Custodian's Name,
- Duplicate Backup Location.

The index can be printed out, stored by electronic media on appropriate application software, on index cards or using some other method. Administration should consider the amount and complexity of information in the electronic files and determine if indexing is necessary and, if so, what kind of labeling and indexing system is needed.

Periodic Review of Records.

Before the end of each fiscal year, file custodians will review all files in their custody, and segregate the inactive records which will be eligible for retirement, disposal, or other disposition at the end of the fiscal year. The simplest method of segregating files is to group them by category: Non record, records of limited retention, and permanent records. Electronic records eligible for retirement or transfer should also be marked or otherwise identified.

Before transferring records to an archive location, administration may decide to separate the records into series. A series is defined as a "block or group of records having the same characteristics and date range." Each item or subordinate item in the Record Schedule represents a series. Identify and separate the records into blocks (series) by records schedule item number, name, and cutoff date. Each archive transfer should consist of at least one box and normally only one closing date.

RECORDS SCHEDULES

- Determine the types of records to be archived.
- Prepare an inventory of the records including a description of their medium, location, volume, inclusive dates, informational content and use.
- Evaluate the period of time you need each records series by reference to its uses or value or legal obligations.

- Based on your needs, follow specific retention and disposition instructions for each records series. Include file breaks, retention periods, and any special instructions.
- Assemble the schedule and notify the department, organizational component, or functional area of requirements for retaining and the storing of public records. *Staff shall be trained to maintain and store public records according to the retention and disposition schedules referenced in this supplement.*

DISPOSITION OF RECORDS

The objectives of records disposition are to:

- ❖ Provide for the permanent retention of records necessary to document school district or charter school:
 - Organizational activities and administrative development,
 - Policies and procedures, etc.
- ❖ Maintain a sound disposition program through proper control of records.
- ❖ Promote a prompt reduction in the volume of records not eligible for destruction by retirement to a safe and secure facility.
- ❖ Provide for the prompt and systematic destruction of records having no further value and thus increasing the availability of space needed to store more current records.

Timely Disposition

Systematic records retirement or disposal is essential if materials needed for current operations are to be retrieved quickly and easily. Files clogged with unneeded material are difficult to use as well as expensive to store, access and/or maintain.

ELECTRONIC DATA

1.15.5.8. J K L NMAC. Types of data for retention and disposition.

- ❖ All records, papers or documents may be photographed, microfilmed, digitized, scanned or reproduced in accordance with standards promulgated by the state records administrator.
- ❖ All imaging, microfilm or computer output microfilm systems shall be approved by the state records administrator prior to the destruction of source documents (Section 14-3-15 NMSA 1978). Such photographs, microfilms, photographic film or microphotographs shall be deemed to be an original record for all purposes,

including introduction in evidence in all courts or administrative agencies. (Section 14-1-5, 14-1-6 NMSA 1978).

- ❖ Data processing and other machine readable records may eliminate paper records when the information has been placed on electronic media. *In these cases, the information on the data processing medium should be retained for the length of time specified in records retention & disposition schedules for paper records and should be subject to the same confidentiality and access restrictions as paper records.*
- ❖ When the destruction of a record is required, all versions of said record shall be electronically over-written on machine readable media on which it is stored (or media destroyed). (See also 1.13.7 NMAC: PERFORMANCE GUIDELINES FOR THE LEGAL ACCEPTANCE OF PUBLIC RECORDS PRODUCED BY INFORMATION TECHNOLOGY SYSTEMS).

1.13.3.3 NMAC Management of Electronic Records.

- ❖ Policies and procedures are discussed in this comprehensive rule that address the management of electronic records. Accountability, system reliability, the capture of electronic records, maintenance and accessibility, disposition and required practices are set forth to establish and maintain an active, continuing program for economical and efficient management of public records for state agencies.

While the use of electronic transactions provides many benefits, a recordkeeping system must ensure that records that should be retained are accessible and usable. The records must be retained in a secure environment to guarantee their authenticity and integrity, and the records must be retrievable for their full retention period.

Using electronic formats requires significant commitment to maintenance of the current system, migration to future systems, and system redesigns to ensure that the records remain accessible and usable. To first capture data, then store the data, and eventually be able to retrieve data, the following must be considered:

- The functioning of this type of system is dependent on hardware and software, and an appropriate system design that are critical to ensuring the accuracy, reliability, integrity, and usability of the records.
- A system design must take into account the state and federal regulations under which the records are created, the characteristics of the documents and the tasks the districts and charter schools are required to perform.
- The programs and functions must be in a secure environment that protects the records from unauthorized alteration or destruction.
- The system should allow multiple user access, with access controlled by assigning specific functions to each user role.

- Indexing would be critical to the retrieval of electronically stored images, and the system should include safeguards to ensure that documents are correctly indexed.
- Features including the recording of authorized access, should be installed that will protect against unauthorized additions or alterations or destruction.

❖ Email messages that contain information sent or received by an agency in connection with the transaction of official government business or in pursuance of law are public records and are subject to retention requirements established in both general interpretive and local government records retention and disposition schedules.

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