

March 30, 1990

To: R. W. LeBoeuf
G. A. Zoghby

Subject: Records Retention Committee Meeting

The Records Retention Committee would like you to attend the next meeting scheduled for Friday, April 6, at 8:30 AM in the 40th Floor (north) Conference Room. The purpose of the meeting is to discuss the attached memo and to solicit your guidance on the Committee's objectives.

Record Retention Committee:
J. E. Kuzemchak, Chairman
J. D. Luffe
G. M. Miller

Attachment

cc: R. J. Matt
D. E. Sharick
E. I. Sproull

BA 016

RECORDS RETENTION COMMITTEE

Responsibilities:

In September 1978, the Internal Security and Emergency Mobilization Committee, which had the responsibility for records retention, was disbanded and a Records Retention Committee was formed. The purpose of the committee was to ensure maintenance and retention of corporate records in accordance with legal and operational requirements. The committee was given the following responsibilities:

1. To establish, maintain, and modify policies and procedures for the retention of corporate records
2. To approve recommended changes to the records retention manual based on the following criteria -
 - (1) The value of the records in conducting current business
 - (2) Government requirements
 - (3) Need of records in the event of litigation or other legal requirements
 - (4) Historical significance of the records
3. To recommend measures to the Management Committee for protecting the company's records in the event of natural disasters, vandalism, or other overt actions
4. To oversee the administration of the records function and provide interpretation of the Records Retention Manual when requested to do so
5. To annually survey and review the adequacy of record storage facilities and report thereon to the Management Committee

Accomplishments:

Although the Records Retention Manual was specifically intended for corporate records, it was subsequently distributed to all units of the company. A listing of all current holders is maintained, so that revisions and "freeze orders" can be distributed.

In meeting the requirements of 1 & 2 above, the committee has had two complete Records Retention Manual revisions since 1986.

To improve the administration of the records function, a computerized system with an inventory of all records located at the record center was established. This permitted the implementation of a pro active procedure to inform users what they have stored at the record center. A listing of all boxes stored is routinely sent to the users requesting a review of the destruction dates.

Since instituting our record system, the number of boxes stored has been reduced from 28,000 to 21,000. This included a reduction of boxes assigned permanent retention from 7,800 to 4,100. The reduction enabled us to evacuate 5,000 sq. ft. of space, which we sublet in 1989 and anticipate negotiating a deal in 1990 to relieve us from the lease that expires in 1992.

Need for Improvement:

Substantial improvements have been made over the years, but recent experience in several court cases have highlighted a need for change. The user is responsible for adherence to the records retention guidelines. There is no procedure to ensure that the user is assigning destruction dates consistent with the Records Retention Manual. The committee's administrative responsibilities pertain to the records at the record center and a substantial amount of records are stored at the units. Although we review the destruction of records at the record center, we are not certain that other locations are disposing of the records on a timely basis. There is a common misunderstanding that it doesn't cost much to store the records and as a result, users tend to assign longer retention periods than are necessary - to be on the safe side. Most areas do not have an efficient means of transferring records from local storage to the next step of retention. Because of the committee participants' other responsibilities, the record retention function has usually been given a lower priority.

Proposal:

Initiate a records management program for all U.S. locations.

To implement the above program, we believe a full-time Records Manager should be established. The manager's responsibility would include acting as the Chairman of the Records Management Committee and supervising all activities at the record center. His initial charge would be to establish a standard procedure to handle records from their inception to their destruction. This would include designing a filing system which would permit efficient transfer from local storage to the next step of retention. The manager would also be responsible for reviewing records retention at all U.S. locations to assure compliance with the Records Retention Manual.

The proposal represents a serious commitment. Due to the magnitude, the project would be implemented over a period of time. It could, of course, be accelerated if additional resources were committed to the project. The creation of a new position would result in additional cost, but would result in a substantial savings in future expenses.