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DOCUMENT MANAGEMENT-WHEN TO SHRED

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Introduction

After the implementation of an Electronic Document Management System (EDMS), a logical thought generally comes to mind. Can I get rid of my original paper documents and if so when? After all, one of the benefits of using an EDMS is to 'get rid' of the paper. The answer is 'It depends'. This discussion will explore possible answers to this question and provide some guidance on a solution.

The Problem

Historical and current paper based business documents must be digitally captured to be used with an electronic document management system (EDMS). Once captured, the question becomes what do I do with the paper. Several options exist from destroying the document to retaining the paper. But, is there a hard and fast rule that can always be used? The answer lies in the type of document and industry specific regulation. There are typically three categories of document retention that I have experienced. First the original paper must be kept, second you can keep the paper if you want but is not required, and third is no paper needed.

Where to Begin

First things first. Find out if the types of documents you are maintaining electronically are regulated by any agency. If they are regulated, these agencies will more than likely have a policy governing document retention and originality. This policy typically will include whether or not an electronic copy of the document satisfies the 'original' document requirement. The ironic thing is that proving the originality of a paper document is much less regulated than proving the originality of an electronic document. When you are dealing with regulated documents, you really have only one choice when it comes to keeping or destroying the paper: follow the policy of the regulating agency.

Even if the policy dictates the need to keep the paper, using an EDMS has many benefits from freeing up filing space to rapid retrieval for customer service purposes. The typical scenario if the paper is required is to create the electronic version, then box up and store the original documents for retrieval if they are ever required. One good practice in this case is to index the documents as they are filed to the EDMS with a 'Box Location' code so you can rapidly locate the original paper document in the correct box. This simple step can save countless hours when attempting to locate the paper based document.

The second type of policy of a regulating agency typically leaves the decision to maintain paper documents in your hands. With this type of policy it is really your decision whether or not the paper document or the electronic document is the 'original'. Once you have made a decision, make it your policy and stick to it. One thing that will cause you problems is not deciding which document is the original. Maintaining both paper and electronic copies and having no policy as to which document is the original leaves the door open to possible litigation issues and confusion within your organization.

Best practices for this scenario are to clearly define a company policy stating which document is to be considered the legal original. Once that is done, get rid of the paper if the electronic copy is the chosen format. Ensure at least one good data backup is completed before destroying the paper copy.

The third type of policy is the easiest to implement. It has only a subtle difference from the second type. No need to keep the paper and no need to worry about whether or not some regulatory agency will require the original. In this method, the paper documents are put into the EDMS and then destroyed. One key point to consider here is similar to the second method mentioned earlier. The main thing is to ensure you have a reliable backup of your data and documents prior to destroying the paper documents.

Keys to Success

The following points should be considered when making a decision on whether to keep or shred documents after they reside in the EDMS.

1. Is the document(s) regulated by any agency? If so, what is the agency policy on electronic documentation?
2. Can scanned documents serve as my 'legal' original? The most frequent answer is yes as long as it is your policy that the electronic document is the original and both electronic and paper are not maintained. Typically if both are maintained, the paper document serves as the default original.
3. Are there any regulations that require documents with signatures to be maintained in original form? If so, can I keep just the signature page on file and scan the remainder of the document? This answer typically comes from the regulating agency or legal counsel.
4. Ensure that a reliable backup of the electronic documents is completed before destroying the paper copy. Make multiple copies of the backup. One advantage to electronic documents is that you can have more than one copy available. With paper, you typically have one and only one copy. Flood, tornado, hurricane, fire, or other disaster can devastate a business' paper based files.
5. Ensure privacy of sensitive documents by shredding before disposing.

Useful Information

Following are some general information links to give you an idea of some different policies on electronic vs. paper documents.

One government policy on electronic records:

<http://www.dol.gov/ofccp/regs/compliance/faqs/dir279faqs.htm#Q1G1a>

Interesting first paragraph on a court decision here:

http://www.ilnd.uscourts.gov/home/_assets/_documents/Rules/LR%205.2.pdf

Interesting point from the Government Paperwork Elimination Act (GPEA):

GPEA specifically states that electronic records and their related electronic signatures are not to be denied legal effect, validity, or enforceability merely because they are in electronic form.

Section Extracted from here: http://www.whitehouse.gov/omb/fedreg_gpea2/#s1

Full act here: http://www.whitehouse.gov/omb/fedreg_gpea2/

Conclusion

When to shred documents that are stored in an EDMS is dependent primarily on two criteria. Are the documents regulated and, if so, what is the regulating agencies' policy, and, what is my company policy on keeping paper? Once you have a shredding procedure defined, make sure you have a minimum of one good data backup before getting rid of the paper.