*management*Trends

PREVENTING AND AVOIDING LOST INFORMATION...
Data/Record Retention Policies

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In the community association management business, there are special circumstances that set the stage for forgetting and/or losing information. Board members typically change annually and often don't have working knowledge or access to association documents, contracts, etc. They also may not know where these items are located or know what the information is, or whether it should be preserved. Changing of the association's management company can complicate matters further, when the transfer of records may or may not be consistent.

While there are retention policy recommendations available listing what should be kept and for how long, easily accessing records, data and documents is the true challenge. In order to prevent misplacing records, a system should be put in place for tracking all association related data, documents and information. While electronic data storage and PDF scanning of documents have been used recently, there are few systems for actually cataloging, logging and accessing information. Establishing and maintaining systems for retaining records are the basis of any good business.

It is easier to manage systems than it is to manage people; this is true in any business. Everyone should know what happens next and what steps should be followed. An individual may vary the steps taken if no prescribed "system" is in place. By improving business systems, work can be completed in less time. Saving time, providing faster service and having fewer instances of "human error" will always be the strongest motivator for implementing a system.

In community association management, service, saving time, minimizing errors and responding quicker are the basis of the business. In addition, having the information readily available allows immediate action and ability to resolve the issue. That is why a system for record retention and document tracking is needed to prevent loss. It is important to keep track of what happened, how often and why. Also, being able to know who was responsible and what contract applies to the issue will provide a means for a cure and reduction in liability. While discussing data/record retention systems sounds unexciting, not having them can cause more excitement than anyone can handle. Therefore, a straight forward approach for establishing a system is key to the success of any community. If there is no system, chaos will reign.

Advancements in computer technology promised better record keeping and the ability to "save everything" for better organization and quicker retrieval of information. Electronic debits, computer checks and the ability to scan documents into PDF format promise faster and better record keeping. Now that every office and almost every manager uses computers, scanners and system backups, the tracking of data is easier, right? Not exactly. Just having data in a computer does not guarantee that it can be retrieved in a manner that meets the needs of an association. Now the issue is no longer solely whether or not an action or event is documented, but how that information is inputted and saved for easy information retrieval.

Welcome to the A.D. (Accessing Data) Age, also known as the WII (where is it?) game. Accessing data is the single most important task in community management today. Providing data and organizing information for boards is so important, because all board decisions should be based on reliable data. Data is a key factor, since bad data can equal bad decisions.

For the purpose of illustration, every year, at least one personal injury claim for a snow storm that occurred 2 or 3 years ago surfaces. This can result in months of searching for snow logs, snow contracts, minutes, invoices, incident reports etc. etc.. or can simply be a matter of accessing the related files under the date of the snow storm

Establishing a system for data/information retention requires identifying what information should be collected and/or tracked and understanding how it is collected and stored. There are several options available in the form of "community and property management" software programs, as well as standard database programs such as Microsoft Access, etc. But before a decision to purchase software or select a data/document retention system can be considered, the process of "organizing data" - or knowing what information is needed and how it is to be sorted and filed – should be completed.

Specifically, tracking systems can track financial and account information, unit ownership, pets, vehicles, pool passes, violations, restrictive covenants, work tickets, repair histories, preventive maintenance schedules, move-in and closing dates, chimney cleaning schedules, emergency contact information, contracts, insurance policies, board resolutions, board minutes, manager reports, correspondence, notices, newsletters and an unlimited number of data categories.

Once all of the categories are identified, the fields by which the data can be sorted and retrieved must be identified. For example, under the category of pets, the fields could include: name, type, breed, size, photo, num-

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ber and type of pet violations or simply the name, address and phone number of the pet owners. Under the category of snow, the fields could include contractor name, contract, certificates of insurance, snow logs, incident reports, weather reports and specific photo or inspection details.

After organizing the data according to the above categories and fields, identifying how the information will be used, and specifying in what format the data can be retrieved MUST be the basis of the system. This includes knowing the types of reports that may be required. For example, a sample process for organizing data to be used to track the painting of front doors may look like this:

- Color and type of paint used
- Date last painted
- Date of next painting
- Specifications for painting
- Owners' names, address
- Cost per door for painting
- Date notice sent
- Section of the community the home is located
- Contractor name
- Contract terms and contractor warranty
- Product warranty
- Exclusions

Once the organizing of data process is completed, then the specific "tracking" needs can be properly understood, so that the proper system is put into place.

Therefore, all information relating to front door painting has to include photos, contracts, warranties, minutes etc. Also, it may be important to be able to report to the board and/or to the contractor how many blue doors there are in each section of a community.

Basically, who, what, where, when, how, how much and related elements are the basis of data organization and developing a system of data/record retention.

The more data you have, the more reports needed, the more activities that must be generated from this data, the more powerful your tracking system needs to be.

The good news here is that since most management firms now have invested in technology to handle a large number of clients efficiently, boards can identify their particular organizational needs and select a management firm that already has the appropriate software and systems in place for managing their association records. Remember, just having a good "computer software package" does not mean that you have a "good system."

A system should include how software is used and how information is catalogued and filed. Self-managed associations can reach out to management firms for advice on how to implement a system, and for information about which systems are better than others. Some firms may have proprietary software which can be licensed to self-managed associations, which may have administrative procedures already in place. Also, some firms offer assistance in implementing tracking systems and training on site personnel.

In evaluating tracking and date retention systems, it is essential to know if global selection – many different sections, condominiums, buildings – can be searched at one time, or whether only one individual section at a time can be searched. For example, a search or an activity may not be able to be completed for all buildings and it is necessary to group the information. If several invoices are received for snow clearing by one contractor for more than one section of a large community, the system will only allow input into one section at a time.

The same thing happens in reverse. For example, in order to find all the areas that required front loader equipment during a particular storm, each area should be able to be identified without searching each section separately.

Therefore, it is important that the system allow for easy and quick access of all data in all categories. Being able to search for all pet owners is as important as searching for only those particular pet owners who have more than one pet. This saves time and can also reveal comparison data for budget forecasting and identifying trends.

Another important aspect of all tracking systems that is key to efficiency is the ability to use the information for correspondence. The ability to send out letters to all owners who have leases nearing termination, postcards to all dog owners reminding them to register their pets, generating a list of all owners who have not validated their pool passes or to send postcards to everyone in the community advising that the street signs will be painted next week and alerting owners that front doors will be painted next year…are all the reasons to have a tracking system that allows correspondence to be generated from that data.

Many systems have standard form letters that can be modified. Other systems are compatible with word processing programs, so that the data can be merged with a letter, etc. Some systems allow for input of photos, inserting PDF files such as contracts, correspondence, snow logs, etc. Knowing what flexibility and correspondence options are available in any tracking system is as important as how it collects and stores data.

The final consideration of any record retention system is protecting it and the data it retains. Computers have been around long enough for everyone to have heard horror stories about "crashes," water damage, fire, and electrical failures. However, these are only part of the concerns. How information is "backed up" or stored in another location is often overlooked. Storing data on CD or tape is a good idea. Taking the CD or tape off site is a better solution – provided it happens every day. Best is having automatic nightly backup by third parties.

Other plans include saving or backing up everything to the internet. Be sure that if this is the option used, that the internet site storing the data is secure. Also, it is important to know how the information is stored. For example, is the data stored in the form of reports? If so, this is a good option, since it is already organized. Or is the data stored on an Excel spread sheet? Is this able to then be loaded into another type of program?

Knowing who has access to what information is another factor to security. Some tried and true protocols include having only

accounting personnel able to access financial information and limiting access to confidential information, such as social security numbers, closing information, delinquency status, etc.

Generally, being in the "Information Age" has its benefits. Maintaining and manipulating data is fundamental to our business. Having a tracking system is essential, however, there is something to be said for who is in charge of the tracking system. A good approach is to require insurance coverage for loss and recovery of data. Another is to be sure that the association has coverage for recovery of data also.

The most important factor, however, is to have an annual audit and annual management report summarizing all details for the past year and how information is sorted, stored and accessed. Having Year End summaries and audits of all data/record retention is the system for evaluating your tracking systems.

On a final note: Often only originals of certain documents must be retained. This is of particular concern for those associations that store records in an attic or shed. Utilizing a storage facility that is insured and temperature controlled with a very specific inventory is essential. Certainly archival companies also provide specific cataloging of boxes and what is in them, but the information is sorted and what related data, contracts, etc., are stored with corresponding information is also important. For example, often contracts are in one box, invoices and checks in another, insurance certificates in another and minutes, correspondence and work tickets in other boxes.

The recommendation for the best system for preventing and avoiding lost information and establishing a data/documentation retention policy is to re-evaluate how information needs to be accessed and to store it in a manner that facilitates the most comprehensive and easiest access. ∎