Message on Records Management

Welcome to our Records Management website. University administrators have come to understand, especially in the past few years, that maintaining and preserving university records is serious. We are being pressured from two directions: First, compliance with regulatory mandates which require that we have a strict program of comprehensive record keeping. Second, records management plays a more increasing role in the University’s risk management strategy, specifically with regard to civil litigation. In the United States, newer regulations not only formalize expansive new record-keeping requirements, but make the penalties for non-compliance even stiffer. These regulations are Sarbanes-Oxley 404, Federal Rules of Civil Procedure (FRCP) Rule 26, the Health Insurance Portability and Accountability Act (HIPPA), SEC Rule 17a, and many others. Currently, the ability or inability to produce records quickly and efficiently in response to a discovery request can sway legal judgments that are measured in billions of dollars. In addition to managing risk in litigation, a comprehensive records management program is vital to lowering the risk and cost of routine audits, ensuring business continuity in the wake of a natural disaster or terrorist attack, and protecting valuable intellectual property rights.

Merely preserving records is not enough. In demand are effective record-keeping and ironclad procedures to guarantee that everything that can be considered a record is captured by well-documented and enforced business policies. We also need a reliable audit trail of all record-keeping activities. Additionally, we need to have the ability to store an exponentially growing volume of records securely and cost-effectively, and be able to find and retrieve records quickly and easily.

To complicate things further, the scope of what is considered a record is continually growing larger. Records are no longer confined to folders and microfilm in our records room. The fact is that most records today are electronic – comprised of word processing documents, database reports, PowerPoint presentations, emails and faxes, which are distributed throughout the University. Now, even blogs and instant messages are considered records and are subject to regulatory compliance.

These are the challenges that we are currently faced with. I hope the contents of this website help us to become responsible stewards in the area of records management. Thank you for your support.

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Sarbanes-Oxley 404 – Every U.S. public company must document and test all internal controls over reported financial information, including policies and procedures, approvals, authorizations, verifications, recommendations, and performance reviews, and must preserve that information for years.

SEC Rule 17a and Related Exchange Regulations – Securities brokers, dealers, investment companies, financial advisers, and transfer agents must retain records of all electronic interoffice communications and communications with customers, including email and text messaging, with retention periods specified for each type. For example, all broker
correspondence relating to stock trades must be retained for six years; any correspondence related to a firm’s larger business must be retained for three years.

**Privacy Legislation** – HIPPAA privacy rules (personal health information), Gramm-Leach-Bliley privacy rules (personal financial information), and EU Data Protection Directive implementation all require information to be categorized so that the correct access control rules can be applied, with an audit trail detailing the access history.

**FRCP Rules 26 and 34** – The Federal Rules of Civil Procedure (and similar provisions in Europe) require each party involved in litigation to be able to describe and produce all records relevant to the disputed facts within a reasonable time. Cases involving multimillion dollar costs to produce this information from back-up tapes are well documented, as are punitive damages in the range of tens of millions of dollars resulting from not being able to produce this information. Amendments in late 2006 intended to resolve loopholes and ambiguities of these “eDiscovery” rules today have extended their scope to cover all electronically stored information, not just documents.

*Stephen G. Garcia, Vice President and Chief Financial Officer*

The Administration and Business Affairs (ABA) division is a large, diverse organization, responsible for the financial stewardship of University assets. This includes controllership and reporting functions, auditing and internal controls, as well as planning and administration of the University's budget. In addition, he has fiscal oversight responsibility for the University's auxiliary organizations. ABA is ready to help the University meet the critical economic challenges common in today's higher education environment, while at the same time assuring fiscal integrity and compliance with legal mandates and accountability requirements.

*Christine Lovely, University Counsel*

Christine Lovely serves as a campus-based counsel and functions as a member of the University Counsel unit in the Office of General Counsel, California State University Chancellor's Office. She has the primary responsibility for legal issues which arise at California State University, Sacramento. She handles personnel and other administrative hearings and manages all campus litigation.