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▶ RECORD
KEEPING



community resource kit



For full details and contents of the kit please read the introduction at www.community.net.nz/how-toguides/crk.

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FOR FURTHER INFORMATION

As well as printed copies, the Community Resource Kit will be available on CD and online at www.community.net.nz. Any future updates to the kit and details of where to obtain further copies of it will also be posted on this website.

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contents



ORGANISING YOUR RECORDS

What's a record?

Keeping good records

Classifications of records

Records to keep

Checklist of records to keep

Records you must keep by law

Historical records/archives

Keeping records on computer

ORGANISING YOUR FILING SYSTEM

Good filing systems

Filing equipment

Filing location

Checklist for establishing a filing system

Checklist for maintaining your systems

KEEPING INFORMATION SAFE AND PRIVATE

Information safety

Avoiding slow destruction

Protecting against disaster

Disaster protection checklist

Information privacy

Privacy Act 1993

Information privacy checklist

WHERE TO GO FOR MORE INFORMATION



organising your records



what's a record?

A record is any information that's written or entered on paper, computer or other media. It includes information that you either have to (by law) or want to keep for a period of time.

keeping good records

You might think that because we're well into the computer age, you may not need to keep quite so many paper-based records in addition to computer-based ones. But, in fact, you still need to do both!

This is not just because computers crash and faxes fade. It's good business practice to keep hard copies of faxes, emails, material stored on the computer, and items downloaded from the internet etc. In some circumstances, it's also required by law.

If you're going to make a success of running your business, you need to keep good accurate records. Making decisions about how these records are to be kept and maintained, and who has access to them, is also important if an organisation is to function well.

Basic information on all of these aspects will be covered in this section.

Keeping accurate and up-to-date records:

- allows you to control your business better i.e. up-to-date records help to determine if your business is making enough money to meet its expenses
- provides evidence of whether your business is being run professionally, which may help to judge how well your business is performing
- means audits will take less time.

classifications of records

The following is a guide to suggested categories of records that you may need to keep, together with examples of each. It is not intended to be a complete or mandatory list – what you keep in the end partly depends on the type and size of your organisation. The exceptions to this are the records you **must** keep by law regardless of the type and size of organisation (see later). This list can be used to form the basis of a filing system (see later).

Governance records:

- constitutional records (constitution/trust deed)
- board/trust/committee documents
- minutes of meetings
- annual reports
- annual accounts (signed copies)
- planning documents
- governance policies (and policy development documents).

Premises/assets records:

- premises leases
- equipment leases, warranties and other documents
- insurances.

Financial records:

- invoices
- cheque books
- bank statements
- budgets
- loan agreements
- monthly and year end accounts
- treasurer and auditor reports.

Funding records:

- funding calendar
- copies of applications and accountability reporting
- contracts for services (by funder and contract).

Employment records (for paid workers and volunteers):

- job descriptions
- recruitment records (note privacy requirements to not keep records too long)
- time and wage records (including holiday records)
- health and safety records
- performance management records.

Note the privacy requirements for employment records.

Operational records:

- operational plans
- operational policies
- programme/project records (separate files for each significant programme or project)
- client records and plans (note the privacy requirements for personal records)
- correspondence (regularly review what is on file to dispose of unnecessary items)
- details of lobbying/advocacy including submissions
- media and press clippings.

records to keep

Community groups, like other organisations, need to have clear policies about what documents and records they should keep, and what to dispose of.

**Checklist of records to keep**

The records that should be kept include:

- the constitution/trust deed and information about setting up the organisation
- all the valuable information you have that helps to run your organisation e.g. mortgages, contracts
- information about what is currently happening in or with or for your organisation
- information you are required by law to keep for a period of years (see below)
- information you want and need to keep for reference including historical information (see later)
- plans, letters, photos, videos, reports and stories about your organisation.

RECORDS YOU MUST KEEP BY LAW

The table on the next page sets out the records you are required to keep under certain legislation and the minimum length of time these records **must** be kept for (retention periods).

| RECORDS | RETENTION DETAILS | LEGISLATION |
|--|---|--|
| Business (financial) records including: <ul style="list-style-type: none"> • books of account (whether manual or electronic) • bank statements, vouchers, receipts, and payment details • details of assets and liabilities • details of services provided and invoices raised • details of tax returns – including signed manual copies of electronic returns. | Retain for 7 years after the end of the year to which they relate Keep the records in safe custody | Tax Administration Act 1994 Goods and Services Tax Act 1985 Companies Act 1993 |
| Annual accounts and audit reports (if applicable). | Permanently | Not specified but good practice |
| Employment records: <ul style="list-style-type: none"> • wages and PAYE tax records • wages and employee time records • holiday pay records and entitlements • accident and serious harm register. | 7 years 6 years 6 years Not specified | Tax Administration Act 1994 Employment Relations Act 2000/ Minimum Wages Act 1983 Holidays Act 2003 Health & Safety in Employment Act 1992 |
| Vehicle mileage records/log books | 7 years | Income Tax Act 2004 |
| Charitable (tax-exempt) organisations need to keep records of donations received and how the funds have been spent. | 7 years | Tax Administration Act 1994 |
| <ul style="list-style-type: none"> • constitution • share register (for a company) – register of members. | Permanently | Companies Act 1993 (but this should guide other entities) |
| <ul style="list-style-type: none"> • minutes of general meetings • minutes of directors' meetings • annual reports • trustee, board or committee records for other organisations. | 7 years | Companies Act 1993 (but this should guide other entities) |

The information in this table may change if the legislation changes. Do not rely on it as legal advice. Also remember that the records need to be kept:

- in English unless specifically approved otherwise
- in written form or in a form that is easily accessible and can be converted to written form.

TIP

HISTORICAL RECORDS/ARCHIVES

The list of records above gives a legal minimum period to keep certain records. You may want to keep some of them for longer periods, and there are others you may want to keep out of interest. Some records you may want to keep for historical interest could include:

- annual plans
- mission statements
- policies
- projects and programmes (all or selected)
- evaluation reports and media articles
- letters of appreciation
- minutes and meeting records.

If your community organisation ceases to exist you should consider having your records stored. Independent community organisations can contact the Alexander Turnbull Library, PO Box 12-349, Wellington for more information about archiving records.

KEEPING RECORDS ON COMPUTER

As electronic media deteriorate with time, you should follow a regular maintenance programme to ensure the safe keeping of your electronic records. You must make sure that the relevant electronic data is retrievable and readable at all times and follow appropriate backup procedures (see *Section 12 – Information Technology*).

Keep a paper copy of all significant records even if you have it electronically.

TIP

organising your filing system



good filing systems

For your organisation to function well, an effective and efficient filing system is essential.

A good filing system is:

- easy to understand and use
- a suitable size for the available space
- accessible to all who are authorised to use it
- able to keep the records safe and in good condition
- able to keep the records secure to fit with the provisions of the Privacy Act 1993 (see later).

filing equipment

Filing equipment you may choose to use includes:

- box files
- computer files (refer to *Section 12 – Information Technology* regarding computer storage and backup)
- filing cabinets (lockable)
- ring binder folders
- manila or colour-coded folders
- filing baskets.

filing location

For larger organisations with a lot of information, there are different ways of physically storing your paper-based records system. Storage can either be centralised (where everything's kept in one central place) or departmentalised (where files are kept in different locations depending on the nature of the information e.g. accounts, projects etc). Alternatively, you can use a combination of the two (where workers keep files they use a lot in their own rooms, but back-ups and less-used files have a central home).

✓ Checklist for establishing a filing system

To establish your filing system:






- divide your organisation's information into classifications (as per the earlier guidelines)
- create a file list of the divisions you've made
- use dividers for different subjects under that file
- document the scope (or expected content) of the file series so people know what should go in what file
- decide on an appropriate filing system that keeps records in order e.g. file papers in chronological or date order, with the most recent papers on top or at the front
- consider how you are going to protect your records from dirt, dust, fire, water, earthquake, humidity, sunlight, intruders, insects and rodents
- make sure that the paper records match the electronic records.

TIP

Most organisations will keep records both electronically (on a computer file) and manually. It pays to set up your manual and computer filing systems with the same file headings.

Checklist for maintaining your systems

At least once a year, spend time on maintaining your records and filing systems by:

-  removing out-of-date material (for example newsletters from other organisations)
-  disposing of any confidential information securely by either shredding documents or using a document disposal company
-  sorting out and filing away historical material
-  checking that the file divisions are still relevant (if necessary, consult a records management professional)
-  undertaking an audit to ensure that the required information is kept in the expected place.

keeping information safe and private



information safety

Information and records are vulnerable in two general ways – from slow destruction and from disaster. It's important to take active steps to protect your records from these risks.

AVOIDING SLOW DESTRUCTION

Some sources of damage are slow-acting or infrequent, but can still make information unusable. They include heat, humidity, light, computer viruses, vermin (insects and rodents), damp and mould (which can adversely affect paper, discs, photos, slides and videos).

Reduce these risks by keeping records in folders, covers or boxes in clean surroundings. Keep them off the floor, and away from:

- light
- food
- cleaning supplies and other chemicals
- heaters and open flames
- water, heating and sewerage pipes.

Ensure you:

- have fire extinguishers, smoke detectors and/or a sprinkler system in the records area
- maintain software integrity – don't use discs from other organisations or copy computer programmes without checking for viruses
- keep records in secure storage – in a safe if necessary.

PROTECTING AGAINST DISASTER

Some damage happens suddenly and unexpectedly. Examples include fire, flood, hurricane, earthquake, explosion, computer crash and power failure. Your group should have a disaster recovery plan for records.

✓ Disaster protection checklist

You can help protect your records from being damaged in a disaster by:

- duplicating information and keeping hard copies
- by having backups of your computer records (see *Section 12 – Information Technology*)
- keeping important originals (e.g. leases, bonds etc) at the bank, with the lawyer, or in a fireproof safe
- keeping photocopies of important records at home or another office (e.g. creditors, insurance)
- knowing where to find experts who can help in the event of disaster. Some computer firms have expertise in recovering computer records, and there are experts in this field, called "conservators".

information privacy

Some information – like client records and personal staff files – should not be accessible to everybody.

PRIVACY ACT 1993

The Privacy Act 1993 and associated principles govern the way in which community groups need to keep information private. It also gives a guide to sharing information with others.

The Privacy Act applies only to "personal information" about an identifiable individual. It does not apply to information about organisations, companies or other bodies.

The Act is based on 12 privacy principles. These set out broad rules (together with limited

exceptions) relating to the collection, storage, security, accuracy, use and disclosure of personal information, as well as an individual's rights to access and correct personal information:

Information privacy checklist

To ensure privacy of information:

- have a procedure that identifies records that are sensitive and make sure authorised staff know they are sensitive
- have a "clear desk" policy for sensitive records – put records away promptly
- be aware of physical security and lock records away when not in use
- take care when disposing of confidential records – they should be shredded or disposed of securely (an option for larger organisations)
- develop a confidentiality policy
- do not leave records where an unauthorised person can read them or steal them
- keep records in their covers, folders or boxes
- do not take records home
- if records are taken from where they are normally kept, make a note of who took them, when they were taken, and when returned
- password bar sensitive computer-based information
- personal information should not be kept for longer than required – either by law or for the purpose for which it was obtained.

TIP

For more information about your rights and obligations under the Privacy Act 1993:

- contact the Privacy Commissioner's office on free phone 0800 803 909 or view their website – www.privacy.org.nz
- refer to *Keeping it Legal E Ai Ki Te Ture* – www.keepingitlegal.net.nz.

where to go for more information



1. The IRD website has a lot of information about keeping records (both manually and electronically) – www.ird.govt.nz.
2. The website of the Office of the Privacy Commissioner has information and resources on the rights and obligations under the Privacy Act – www.privacy.org.nz.
3. Keeping it Legal E Ai Ki Te Ture website – www.keepingitlegal.net.nz.
4. Archives and Records Association of New Zealand website – www.aranz.org.nz.