

Case Study: Retention Schedule Development at Zions Bancorporation

ARMA Utah Salt Lake Chapter Meeting

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About Zions Bancorporation

- 500 Banking Offices in Ten Western and Southwestern States:
 - Arizona, California, Colorado, Idaho, Nevada, New Mexico, Oregon, Utah, Texas, Washington
- As of December 31, 2007 –
 - \$52 billion in assets
 - 11,700 employees
- Subsidiaries include
 - 8 Affiliate Bank Brands
 - 2 Securities Brokerages
 - 2 Payment Processors (Credit Card and Medical)
 - 1 Software Provider (Remote Deposit)



History - April 2004

- No Corporate RM Policy for Institution with \$30 billion in assets.
- Rapid growth through acquisition
- Records stored in 55+ facilities ranging from self service mini-warehouses to state of the art vendor facilities
- Management decision to Utilize Jordan Lawrence software and consulting services
- Records Management Project kick-off
 - Scope includes corporate records management policy & retention schedule development, physical records storage clean-up & consolidation, corporate-wide records inventory, electronic records management, email archive implementation

History – July 2004

Let's get started!



History – August 2005

Record Type Worksheet

Organization:
 Working Group:
 If Named Department, Dept Name: PURCHASING
 Cost Centers Covered: AFFILIATES
 Person(s) Completing Survey: PURCHASING MANAGERS

* If cost center is lengthy, insert a separate worksheet and enter list attached

CST	CEW	HEA	HEB	VEC	FEB	Working Group	Record Type Name	Description	Owner CC (if not you)	Official Version (Hardcopy, Image, or Electronic)		Paper or Floppy	Business Need for Reference (months)	Stored Offsite (Y/N)	Vendor Name or Bank-Managed
										Hardcopy, Image, or Electronic	Hardcopy, Image, or Electronic				
X	x			x		PROCUREMENT	AP Data (Electronic)	Monthly, Qtrly, Expense Information, Vendor Totals	Finance	Electronic	Electronic			N	
X	x		X	x		PROCUREMENT	AP Data (Hardcopy)	Monthly, Qtrly, Expense Information, Vendor Totals	Finance	Hardcopy	Hardcopy	Paper	3	N	
X	x			x		PROCUREMENT	Authorization for Expenditure	Formal approval document required for expenditures in excess of \$50,000.00.		Hardcopy	Hardcopy			N	
X	x		X	x		PROCUREMENT	Bank Logos	PDF Files, Hardcopy for Print supplies	Marketing	Electronic	Electronic			N	
X	x		X			PROCUREMENT	BANK PHONE DIRECTORY/ALLOCATION DOCUMENTS (Hardcopy)	Excel Spreadsheets, Hardcopy	HR	Electronic	Electronic			N	

HW CC ELECTRONIC Need for reference mark "x" all that

Record Type Name	Vendor City, State	Business Need for Reference (months)	Inhouse/Outsourced	Outsource Vendor	Application, # In House	User or IT E-Mail Maint (Y/N)	Business Need for Reference (months)	Application	Internal Audit	Compliance Request	Customer Inquiry	Research	Legal
AP Data (Electronic)													
AP Data (Hardcopy)													
Authorization for Expenditure													
Bank Logos													
BANK PHONE DIRECTORY/ALLOCATION DOCUMENTS (Hardcopy)													

Supply) Survey Questions:

Record Type Name	Other:	Contains info vital to the Company?	Contains company processes?	Contains images?	Comments
AP Data (Electronic)					
AP Data (Hardcopy)					
Authorization for Expenditure					
Bank Logos					
BANK PHONE DIRECTORY/ALLOCATION DOCUMENTS (Hardcopy)					

History Snapshot - April 2005

- New Corporate Policy and Retention Schedule is implemented
- Corporate Records Program Manager hired
- Project is closed out, but...
 - Physical records inventory consolidation in progress
 - Retention schedule contains 3500 record types with significant duplication and poor record descriptions
 - Email archive implemented, but
 - Development of ERM policy & procedure deferred
 - A list of “opportunities” for future projects is being discussed
 - Electronic records inventory expected to add 3500 record types to the retention schedule ☹
- Decision not to move forward with vendor provided software and consulting services

History Snapshot – April 2005

The first Published Retention Schedule

ZIONS BANCORPORATION - RETENTION SCHEDULE

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Division / Functional Area	RECORD TYPE NAME	DESCRIPTION	Retention Period (Months)	Retention Citation/Reason
Credit - Commercial	CREDIT PRESENTATION - COPY	CREDIT PRESENTATION AND RELATED MEMOS	24	BUSINESS NEED
Credit - Commercial	CREDIT PRESENTATION - COPY	COPIES OF CREDIT PRESENTATION AND RELATED MEMOS	24	BUSINESS NEED
Credit - Commercial	CREDIT PRESENTATIONS - INACTIVE	COPIES OF CREDIT PRESENTATION AND RELATED MEMOS FOR INACTIVE LOANS	84	BUSINESS NEED
CBW	CREDIT REQUESTS	CLIENT CREDIT VERIFICATIONS REQUESTED BY THIRD PARTIES	24	BUSINESS NEED
Insurance	CSO REINSURANCE STATEMENTS	MONTHLY STATEMENTS SHOWING THE CREDIT/DEBIT AMOUNT OWED TO ZIONS LIFE INS. CO. FROM CSO FOR CL&D PRODUCTS.	72	UT ST s 78-12-23
BRANCH BANKING	CURRENCY TRANSACTION REPORTS	CASH DEPOSITS/WITHDRAWALS MADE OVER \$10,001	0	BUSINESS NEED
Branch Banking	CURRENCY/COIN ORDER FORMS	LIST OF CHANGE AND CURRENCY THAT THE CUSTOMER WANTS	24	BUSINESS NEED
Branch Banking	CUSTOMER AGREEMENTS - EXPIRED	COPY OF MISCELLANEOUS WRITTEN AGREEMENTS BETWEEN A BRANCH AND A CUSTOMER WHICH ARE NO LONGER IN FORCE	72	UT ST s 78-12-23
Branch Banking	CUSTOMER CASH ADVANCE FORMS	COPY OF THE SIGNED FORM REQUESTING CASH ADVANCE	24	12 CFR 230
Operations	CUSTOMER CASH ADVANCE FORMS	COPY OF THE SIGNED FORM REQUESTING CASH ADVANCE	24	12 CFR 226
International	CUSTOMER CONTRACT	LOAN PAYMENT AGREEMENT, LETTER OF CREDIT REIMBURSEMENT AGREEMENT	72	UT ST s 78-12-23
NSB	CUSTOMER CONTRACTS - ACTIVE	NSB FORMS; ARBITRATION AGREEMENT AND CUSTOMER INFORMATION SHEET EXECUTED BY VAULT CLIENTS FOR VAULT SERVICE	9999	BUSINESS NEED
NSB	CUSTOMER CONTRACTS - INACTIVE	NSB FORMS; ARBITRATION AGREEMENT AND CUSTOMER INFORMATION SHEET EXECUTED BY VAULT CLIENTS FOR VAULT SERVICE	72	UT ST s 78-12-23
Private Services	CUSTOMER DATABASE	CUSTOMER PROFILES AND PRODUCT INFO	9999	BUSINESS NEED
Cash Mgmt	CUSTOMER FILE - ACTIVE	CUSTOMER FINANCIALS, CORRESPONDENCE, ACCOUNT INFORMATION, TRANSACTION HISTORY, CASH MANAGEMENT FILES, ACCOUNT ANALYSIS CUSTOMER STATEMENTS	9999	BUSINESS NEED
NetDeposit	CUSTOMER FILE - ACTIVE	SERVICE AND MAINTENANCE AGREEMENTS WITH CUSTOMERS, CORRESPONDENCE	9999	BUSINESS NEED
Private Services	CUSTOMER FILE - ACTIVE	APPLICATIONS, WORKSHEETS, CUSTOMER FINANCIALS	9999	BUSINESS NEED
Private Services	CUSTOMER FILE - CLOSED	APPLICATIONS, UPDATES, CORRESPONDENCE & FINANCIAL RELATED DOCUMENTS	72	UT ST s 78-12-23
Cash Mgmt	CUSTOMER FILE - INACTIVE	CUSTOMER FINANCIALS, CORRESPONDENCE, ACCOUNT INFORMATION, TRANSACTION HISTORY, CASH MANAGEMENT FILES, ACCOUNT ANALYSIS CUSTOMER STATEMENTS	84	CA COML s 4406
NetDeposit	CUSTOMER FILE - INACTIVE	CLOSED SERVICE AND MAINTENANCE AGREEMENTS WITH CUSTOMERS, CORRESPONDENCE	84	CA COML s 4406
Branch Banking	CUSTOMER FILE - LEGAL DOCUMENTS	POWER OF ATTORNEY, MARRIAGE CERT, DEATH CERT, TRUST, ETC.	72	UT ST s 78-12-23
NSB	CUSTOMER FILES - ACTIVE	FILES CONTAIN CUSTOMER INFORMATION SHEET, ARMORED CAR DEPOSIT AGREEMENT, ARBITRATION AGREEMENT, MISC. RESEARCH, ETC., CLIENTS NAMES, ADDRESSES, ACCOUNT NUMBERS, ARMORED CARRIED, CHANGE ORDER DOCUMENTS, ETC. CORRESPONDENT BANK	9999	BUSINESS NEED

History Snapshot – April 2006

- Acquired Amegy Bank – System conversion in progress
 - Amegy 2 years into RM Program implementation
 - Working with IRCH on new Schedule
 - Using TBA Schedule (approx. 1300 record types)
- Physical records storage consolidation still in progress!
- Updated Corporate Retention Schedule – reduced to 750 record types, primarily by eliminating duplicate titles
- Iron Mountain account consolidation completed
- IM Connect implementation in progress
 - Rolling out to 500+ users/300+ departments –
 - Users required to classify records before sending off-site
- Working with IT to develop a system inventory to include information regarding records created / stored
- Kicking off effort to combine / improve Zions Bancorporation and Amegy retention schedules using IRCH Retention Manager software.

History Snapshot – 2006

Our Current Retention Schedule - Getting Better!

ZIONS BANCORPORATION - RETENTION SCHEDULE

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FUNCTIONAL AREA	RECORD TYPE CODE	RECORD TYPE NAME	DESCRIPTION	RETENTION PERIOD (MONTHS)	CITATION
PRIVATE SERVICES	PRJ004	CUSTOMER DATABASE	CUSTOMER PROFILES AND PRODUCT INFO	9999	BUSINESS NEED
PRIVATE SERVICES	PRJ005	CUSTOMER FILE	EXECUTIVE BANKING, PRIVATE SERVICES - APPLICATIONS, UPDATES, CORRESPONDENCE & FINANCIAL RELATED DOCUMENTS. CORRESPONDENT BANKING - CUSTOMER INFORMATION SHEET, ARMORED CAR DEPOSIT AGREEMENT, ARBITRATION AGREEMENT, RESEARCH, ADDRESSES, ACCOUNT NUMBERS, CHANGE ORDER PASSWORDS, CORRESPONDENT BANK ACCOUNT. INVESTMENTS - NEW ACCOUNT FORM, ACCOUNT UPDATES, AND RECORDS OR REP NUMBER CHANGES, ETC.	72	UT ST § 78-12-23 NASD rule 17a4-c
PRIVATE SERVICES	PRJ019	CUSTOMER FILE - ACTIVE	EXECUTIVE BANKING, PRIVATE SERVICES - APPLICATIONS, UPDATES, CORRESPONDENCE & FINANCIAL RELATED DOCUMENTS. CORRESPONDENT BANKING - CUSTOMER INFORMATION SHEET, ARMORED CAR DEPOSIT AGREEMENT, ARBITRATION AGREEMENT, RESEARCH, ADDRESSES, ACCOUNT NUMBERS, CHANGE ORDER PASSWORDS, CORRESPONDENT BANK ACCOUNT. INVESTMENTS - NEW ACCOUNT FORM, ACCOUNT UPDATES, AND RECORDS OR REP NUMBER CHANGES, ETC.	9999	BUSINESS NEED
CASH MGMT	CA5003	CUSTOMER FILE - COMMERCIAL	CUSTOMER FINANCIALS, MEMOS, CORRESPONDENCE, ACCOUNT INFORMATION, TRANSACTION HISTORY, CASH MANAGEMENT FILES, ACCOUNT ANALYSIS CUSTOMER STATEMENTS, CLOSED SERVICE AND MAINTENANCE AGREEMENTS WITH CUSTOMERS, CORRESPONDENCE. CUSTOMER FINANCIAL STATEMENTS, CORRESPONDENCE, LOAN DOCS, AGENCY REPORTS, CHARGE-OFFS	84	CA COML § 4406
LEGAL	LEG021	CUSTOMER FILE - LEGAL DOCS	POWER OF ATTORNEY, MARRIAGE CERT, DEATH CERT, TRUST, ETC.	72	UT ST § 78-12-23
MARKETING & COMMUNITY RELATIONS	MAR008	CUSTOMER LISTS	NAME/ADDRESS OF CUSTOMERS TO CONTACT	24	12 CFR 230
FINANCE/ ACCOUNTING	FIN029	CUSTOMER STATEMENTS	ACCOUNT NAME, ADDRESS AND NUMBER AND RECORD OF ALL DEPOSITS, WITHDRAWALS AND INTEREST EARNED FOR THE MONTH/QUARTER.	84	CA COML § 4406
OPERATIONS	OPS049	CYCLE COUNT EXCEPTION REPORT	REVIEW EXCEPTION STATEMENT FOR FURTHER RESEARCH-OPTIMA 3	24	BUSINESS NEED
WEALTH MANAGEMENT	WEA004	DAILY PROCESSING DOCUMENTS	DOCUMENTS CREATED BY EITHER ADMIN OR OPERATIONS TO FACILITATE DAILY FUNCTIONS	84	AUDIT CONSIDERATION
WEALTH MANAGEMENT	WEA005	DAILY RECAP	RECAP OF DAILY TRUSTRITE ACTIVITY. FAXED TO OPS.	36	17 CFR 240.17a-4
OPERATIONS	OPS050	DAILY WORK FILE	CUSTOMER CORRESPONDENCE, COPIES OF OUTGOING DOCUMENTATION, COPIES OF PROCESSED DISTRIBUTIONS," DAILY VERIFICATION SHEETS, CONTROLLED DISBURSEMENT, ACH, TRI-PARTY AGREEMENT PAYMENT BACKUP, BILLING DOCUMENTATION, CORP SWEEP BACKUP, CASHIERING DAY FILES, DAILY ANNUITY TRANSACTION, DENETWORK REQUESTS, DTC & DWAC PROCESSED, FED FUND WIRES PROCESSED, JOURNALS PROCESSED, REGISTER & SHIPS PROCESSED, SECURITY RECEIPTS, STOCK RECEIVED FILE, TRADING PACKETS, WRITE-OFFS, COPIES OF PROCESSED DISTRIBUTIONS	72	NASD rule 17a3(a)(1) & 17a-4
INVESTMENTS	INV010	DAILY WORK- SUPPORT RECORDS	DAILY NOTES ON TRADES/INQUIRIES	36	17 CFR 240.17a-4
OPERATIONS	OPS051	DATA WAREHOUSE QUERIES	SAVE OUTPUT FROM DATA WAREHOUSE IN EXCEL OR ACCESS FOR VARIOUS PROJECTS	24	BUSINESS NEED
FINANCE/ ACCOUNTING	FIN030	DEBT AGREEMENTS	DEBT AGREEMENTS AND NOTES, DEBT COMPLIANCE LETTERS, SUBORDINATED NOTES DOCUMENTATION, FGLB LETTER OF CREDIT, NOTES RECEIVABLE	120	TAX CONSIDERATION
LEGAL	LEG022	DEFERRED COMPENSATION	ENROLLMENT FORMS AND WORK PAPERS REGARDING DEFERRED PAYMENT INSTRUCTIONS FOR BOARD COMPENSATION & SECTION 16 EMPLOYEES.	60	IAC 646-3-10-1
FINANCE/ ACCOUNTING	FIN031	DEFERRED COMPENSATION FILES	ENROLLMENT FORMS AND WORK PAPERS REGARDING DEFERRED PAYMENT INSTRUCTIONS.	60	IAC 646-3-10-1
OPERATIONS	OPS052	DEPOSIT CORRECTION REPORTS	PROOF ERROR TOTALS FOR DEPOSIT CORRECTIONS, LOG IDENTIFYING CORRECTIONS MADE THROUGHOUT THE PROCESSING PROCESS EACH NIGHT	24	12 CFR 229

Where Are We Now?

- Reviewed / consolidated over 2000 record titles and descriptions
- Reduced number of record types to 350 in 23 general functional categories
- Re-wrote all descriptions, included notes and examples for each to facilitate accurate classification of records
- Identified retention start events for each record type
- Mapped 2000+ old record types to new schedule

Final Schedule Format

Just right? We think so...

Records Retention Schedule

<u>Functional Area</u>	<u>Record Code (New)</u>	<u>Record Type</u>	<u>Description</u>	<u>Retention Period (Years)</u>	<u>Retention Start Event</u>
Accounting / Finance	ACC-100	Accounts Payable	Original invoices paid or 'To be paid'. <u>Examples:</u> Expense payments, vendor invoices, facilities bills, insurance premium payables, insurance company payables, account payable register, payables reports, AP posting, sale invoices, credit memos, expense reimbursement request, expense reports, entertainment/gift expense, W-9 forms.	6	After Fiscal Year-end
Accounting / Finance	ACC-110	Accounts Receivable	All records related to payments received or expected to be received. <u>Examples:</u> Cash receipts, invoices, AR posting.	6	After Fiscal Year-end
Accounting / Finance	ACC-120	Allocations	Records related to monthly expense allocations to affiliate / subsidiary cost centers from centralized support or shared service cost centers. <u>Includes:</u> Facilities expenses to affiliates/subsidiary cost center, shared facilities expenses where applicable. <u>Examples:</u> ARC, Allocation Review Committee.	6	After Fiscal Year-end
Accounting / Finance	ACC-130	Asset Liability Committee	Records generated from or produced for the Asset Liability Committee. <u>Examples:</u> Minutes, agendas, memos, reports to the committee, analysis reports, Zions ALCOM, ALCO meeting materials.	6	After Fiscal Year-end
Accounting / Finance	ACC-140	Budget Files	Supporting material for budgets and forecasts. <u>Examples:</u> Prior year budgets, financial planning, worksheets, work papers, appropriation file.	ACT+1	After Fiscal Year-end
Accounting / Finance	ACC-160	Check Registers	Report listing checks issued indicating dates, payee (issue to), and amount. <u>Examples:</u> Check register for IRAs.	6	After Fiscal Year-end
Accounting / Finance	ACC-170	Deferred Expense	Records associated with deferred expense records.	MAX2	After Fiscal Year-end

New to Old Mapping

**Combined RRS Mapping
New to Old**

LowerCase	→ New Record Type
LowerCase	→ Amegy Old Record Type
UPPER CASE	→ Zions Old Record Type

Function	Record Code (New)	Record Type	Record Type (Old)	Description	Retention Period (Years)	Retention Start Event	Previous Record Code	Previous Retention Period	
Accounting / Finance	ACC-100	Accounts Payable		Original Invoices paid or 'To be paid'. <u>Examples:</u> Expense payments, vendor invoices, facilities bills, insurance premium payables, insurance company payables, account payable register, payables reports, AP posting, sale invoices, credit memos, expense reimbursement request, expense reports, entertainment/fit expense, W-9 forms.	6	After Fiscal Year-end			
			ACCOUNTS PAYABLE REGISTER					Amegy	5 years
			BILLS PAID AND INVOICES					Amegy	7 years
			EXPENSE REIMBURSEMENTS TO EMPLOYEES					Amegy	3 years
			ACCOUNTS PAYABLE		ORIGINAL INVOICES PAID OR TO BE PAID			FIN004	6
			COMPANY PAYABLE INVOICES		INVOICES FROM INSURANCE COMPANIES FOR PREMIUMS DUE			INS008	120
			COMPANY PAYABLES REPORT		RECORD OF UNPAID ITEMS TO INSURANCE COMPANIES. IT IS A SYSTEM GENERATED REPORT MTD THAT CANNOT BE REPRODUCED.			INS009	120
			CREDIT MEMOS / SALES INVOICES		CREDIT MEMOS / SALES INVOICES			FIN028	120
Accounting / Finance	ACC-110	Accounts Receivable		All records related to payments received or expected to be received. <u>Examples:</u> Cash receipts, invoices, AR posting.	6	After Fiscal Year-end			
			M/E ACCOUNTS RECEIVABLE		DETAIL TRANSACTION LIST OF ALL UNPAID/UNREFUNDED INVOICES SORTED BY CLIENT ETC. THIS DETAIL IS USED TO SUPPORT THE A/R GL MONTHLY AND CANNOT BE REPRODUCED AFTER THE M/E DATE.			INS020	120
Accounting / Finance	ACC-120	Allocations		Records related to monthly expense allocations to affiliate / subsidiary cost centers from centralized support or shared service cost centers. <u>Includes:</u> Facilities expenses to affiliates/subsidiary cost center, shared facilities expenses where applicable. <u>Examples:</u> ARC, Allocation Review Committee.	6	After Fiscal Year-end			
			EXPENSE ALLOCATION FILE		ELECTRONIC FILE OF EXPENSE ALLOCATION FOR ALL UNITS (R/R).			FAC015	120
			ALLOCATIONS		VARIOUS MONTHLY ALLOCATIONS OF CENTRALIZED SUPPORT OR SHARED SERVICE COST CENTER EXPENSE.			FIN007	120

Lessons Learned

- There is no easy way to do this, but you are definitely better off if you can start from scratch.
- It will never be perfect – encourage ongoing feedback and develop a process for periodic updates and legal review
- Develop a simple taxonomy that will survive organizational changes
- A one-size-fits-all solution doesn't fit - Each organization is unique and is constantly changing
- Know your organization – Interviews with and feedback from each business unit.
- Due diligence = accountability and defensibility
- No substitute for line-by-line legal review by an attorney
- Do not create a retention schedule that only you can understand – Simplicity is the key to adoption and compliance

Next Steps

We've only just begun...

- Publish new schedule
- Load schedule to off-site storage management software and map existing record type codes to new codes
- Six month compliance period with certification of compliance from business unit managers
- Develop and implement Records Management compliance and awareness training – CBT completed annually by each employee.
- Apply retention schedule to ERM systems
- Utilize new tools to index and classify unstructured data on network file spaces

So.....why does this help with electronic records?

- “...the growth of options and opportunities for choice has three unrelated, unfortunate effects. It means that decisions require more effort. It makes mistakes more likely. It makes the psychological consequences of mistakes more severe.”
 - Barry Schwartz, *The Paradox of Choice* 2004
- “After the system went live, it soon became evident that filing into a large number of small buckets was extremely cumbersome significantly affecting the rate of compliance.”
 - Richard Marcus, *Information Management Journal*, 2002
- “...the most compelling reason I see pertains to the application of retention to electronic records where you really can’t divide up large database platforms into small granular classes with different retention periods. You need large, default classes where all the records can be classified and retained uniformly. In my experience, once you create large, default classes, people will use them because they are so much easier to use than smaller classes.”
 - Iron Mountain Survey participant, 2007
- ...”there is no doubt in my mind that making the buckets bigger, thereby reducing the number of record categories, will make “auto-classification” easier. This is critical for electronic records that may be created or received in volumes far too large for manual classification.
 - Iron Mountain Survey participant, 2007

Information

- Acknowledgements
 - Quotes from Slide 15 provided by Karen L. Harris, CRM in presentation to ARMA Utah-Salt Lake Chapter Seminar, March 2008
 - Thanks to Zions Bancorporation for it's strong support of my participation in ARMA
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- Disclaimer
 - The ideas and opinions represented in these slides are not intended to represent best practices, standards or even accepted records management practice.
 - They represent my experience and my lessons learned during the evolution of the retention schedule at Zions Bancorporation