



National Archives and Records Administration

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Date: September 11, 2006
To: David Miller, NRBPR
From: Wilda D. Logan, NWML
Subject: SHU Comments on the Draft GRS Chief Financial Officer Chapter

Thank you for allowing NWML to comment on your draft General Records Schedule (GRS) chapter for Chief Financial Officer (CFO) records. I was assigned to compile the comments on the draft GRS CFO for NWML.

The NWML comments were extensive and revolve around both procedural and content issues. Based on the general comments, most agree that the draft document was not ready for agency comment prior to completing the formal SHU reviews; others believe that some CFO records are properly scheduled in the GRS or by their agency schedules; some believe the draft proposes for temporary disposition, series of records that are already scheduled as permanent and will cause implementation confusion; some believe the draft descriptions are not clear and are duplicative; and others believe that a critical flaw of the draft is having no cabinet level agencies part of the background CFO study.

NWML cannot recommend the approval of the draft as written.

For your review, attached is the full text of the NWML comments:

Comments #1

Procedural issues

The way this GRS has been handled runs counter to the procedures for developing GRS additions/revisions. The procedures in both the NWML and NR SOPs call for GRS schedules to undergo the internal NARA review process before they are vetted outside NARA, including vetting with Federal agencies. These procedures do not preclude informal vetting with selected agencies (e.g., oversight agencies, agencies where NARA reviewed records, etc.). However, this schedule should not have been circulated to all agencies via an RM Communication until after the SHU process had been completed.

Substantive issues

This schedule poses numerous substantive issues. The most basic is whether a schedule for CFO records is needed in the first place. I strongly suspect that such a schedule is not needed. I think financial management records are in the main already covered by approved schedules. Some are covered in the GRS itself (especially via GRS 7). Most are handled in agency specific schedules; nearly all agencies have been very good about scheduling records that

pertain to administrative subjects like finance and accounting. If, in fact, most of these records are already scheduled, this GRS is not only superfluous but imposes a burden on agencies that wish to continue using their existing schedules (36 CFR 1228.42(b) requires agencies to notify NARA if they wish to use a previously approved scheduled in lieu of the GRS).

Even if GRS additions are needed for the types of records a CFO typically accumulates, I think such additions should be functional in nature and added to the appropriate existing GRS chapter (probably GRS 6 and/or 7 in this case). Having a separate organizationally based GRS not only offers no benefits but creates gaps. For example, working papers associated with the reports covered by Item 2 of the proposed GRS may accumulate in agency offices that provide input to the CFO. Item 2, however, covers only those working papers held by the CFO.

I also am not sure the draft GRS takes into account the fact that in some agencies, the CFO is a very high level official who has additional duties and responsibilities. For example, NA, who serves as NARA CFO, also oversees personnel, facilities, and security as well as the budget formulation process. In the Defense Department, the CFO is the Under Secretary of Defense (Comptroller) who is responsible for a wide variety of programs above and beyond financial management. It is not clear if the proposed GRS reflects how officials of this sort maintain their office files.

In addition to the general issues outlined above, there are problems with most of the specific items:

Item 1: The description of this item should more clearly indicate whether these records only pertain to plans, as the bulk of the description and the discussion in the appraisal report would indicate, OR whether they are broader in scope as the opening sentence of the description would indicate ("Records relating to the CFO's direction and management of agency financial programs.").

Item 2: Does this item only cover reports that are submitted to OMB? The proposed disposition instructions imply this. However, the series title and description could be interpreted to cover a broader range of reports, some of which might not be submitted to OMB. Also, the appraisal report is unclear as to whether disposal of these records is based on an assessment that their content is not historically valuable OR whether it reflects the assumption that the content has value and will be preserved by NARA accessioning the OMB copies. If the proposed GRS item reflects the latter view, then the appraisal needs to address whether these records are covered in OMB schedules.

Item 3: The schedule and appraisal are somewhat out of synch regarding these records. The schedule talks about the CFO's "management" of external review and audits of financial statements. However, the appraisal report notes that it is IGs that are ultimately responsible. Assuming that the latter is true, it may be that agency schedules for IG audit records include disposition instructions for materials accumulated by "other offices." Also, if IGs are responsible, a 7 year retention seems a bit long.

Item 4: Given that in some agencies the CFO has responsibilities above and beyond financial management (e.g., NA in NARA, the DOD Comptroller), the title and description of this item and/or the supplementary note need to be revised to make it clear that it only covers records of bodies that address financial management and not all committees that the CFO chairs.

Item 5: How this item differs from Item 1 needs to be spelled out more, especially if Item 1 includes more than plans. This item also merges budget-related matters with financial management. At least for major agencies, budget policy records are normally retained permanently by the office with agency-wide responsibility. In some agencies (e.g., NARA and DOD), the CFO would accumulate this type of material.

Item 6: This item should not be included. There are numerous problems with GRS 23, Item 5 that need to be resolved (such as what is “substantive” information vs. “non-substantive”). We should not be perpetuating a problematic schedule item. Also, it is confusing to have two GRS items that cover the same records (this item and GRS 23/5). There also is the problem noted above that the CFO may be an official with other major roles within the agency.

Item 7: In light of the newly issued bulletin that eliminates the need for agencies to include items for email and word processing on schedules, this item should be deleted.

Conclusion

NARA has to re-think whether or not this GRS should be issued, even if specific items are revised in accordance with the problems NWML and other SHUs identify. My own belief is that it should not be issued at all. Rather, NARA should go forward with the three most salvageable items: Item 1 if revised to cover only plans, Item 2 if it is determined that the reports are totally lacking in value OR have value AND we are sure they can be preserved via OMB, and Item 4). These items should be added to GRS 7 (or in the case of Committee Records to GRS 26).

Comments #2:

I have reviewed the current schedules for the CFO at the Office of the Secretary of Defense and the Navy. In both agencies these are very high ranking offices in charge of policy; many of the series proposed as temporary in the proposed GRS version are permanent at Navy and the OSD.

Comments #3:

I recommend that NWML not concur with the GRS for CFOs. For cabinet level agencies, this schedule actually schedules the records of the Deputy CFO. At the Department of the Treasury, the CFO is an Assistant Secretary that oversees the CIO, Human Resources, Management and Budget, Procurement, D.C. Pensions, Financial Mgmt (Deputy CFO), and Headquarters Operations (records management, environment and health, curator, restoration

of the Treasury building). The Deputy CFO is responsible for financial management. At the Department of Justice the CFO is an Assistant Attorney General. The Deputy CFO is a Deputy Assistant Attorney General. This schedule needs to be tested in Cabinet level CFOs as part of the appraisal process.

Many CFO records are scheduled as permanent. This GRS will cause confusion at agencies and could potentially lead to the destruction of records scheduled as permanent.

Item 1. Financial Management Planning Records.

The series description reads like agency mission related records, which are not covered by the item according to the note. This will cause confusion to agencies trying to implement the schedule.

Item 2. Performance and Accountability Reports.

The appraisal needs to state where the information is going to be retained as permanent. It is unclear whether these are temporary due to the content or to the fact that the information is found elsewhere.

Item 3. External Audit Records.

Are CFO's responsible for agency responses to financial audits or to all audits, including program audits by GAO? With the current retention period the records could be destroyed while an agency is still responding to the audit.

Item 5. CFO Subject Records.

This item seems very similar to item 1. The appraisal states that "depending on the significance of these projects, permanent retention of such records may be warranted, but it is the exception." If there could be permanent records in this series, why is it scheduled to be destroyed when 5 years old? This means the agencies could be destroying permanent records.

Item 6. Schedules of Daily Activities.

The schedule and appraisal state that this item covers the CFO and all other staff can use GRS 23/5. In most agencies the Deputy CF and office heads and division directors cannot use GRS 23/5 for calendars. At DOJ, the Deputy CFO is a Deputy Assistant Attorney General and at Treasury the Deputy CFO is a Deputy Assistant Secretary.

Comments #4:

I really cannot say anything positive about this proposed GRS. It is flawed, troubling, and misleading. There are so many things wrong, that I do not know where to start.

1. This GRS seems to be based on an assumption that what CFOs do is not worthy of preservation. In today's U.S. Government, however, CFOs are responsible for much more than what is described in the introduction and in Item 1. It is doubtful, however, that the records relating to matters other than those covered by Item 1 are segregated. As a result, this

GRS will either be unimplementable, and thus be ignored, or lead to the destruction of permanent records.

2. This GRS is based on dealing with far too limited a universe of agencies. My understanding is that this reflects dealings with the Comptroller of the Currency, IRS, NASA, OPM, and NARA. More importantly, not a single cabinet-level agency is represented.

3. This GRS is inconsistent with previously approved schedules for agencies.

4. Reports covered by Item 2 are of the type generally scheduled as permanent. It seems that the intent of this GRS is to rely on the records of OMB to capture those records. Past experience indicates that using OMB as a repository is not a reliable means by which to capture permanent records of other agencies.

5. Item 4 is unnecessary given the existence of GRS 26, Item 1, unless the implication is that CFO committees are somehow not temporary and covered by GRS 26.

6. It is not really clear to me the true difference between Item 1 and Item 5.

7. Item 7 is no longer needed given the recent NARA issuance relating to e-mail and word processing records.

Bottom line is that I recommend that NWML not only not concur, but indicate that nothing can be done to revise this GRS in such a way as to secure NWML concurrence.

After your review of the comments, we look forward to working with you to resolve these issues.