

## CHAPTER 2. RECORDS INVENTORY AND APPRAISAL

- 2-1. PURPOSE OF INVENTORY. The first step in developing a schedule is to inventory the records to find out what exists. When preparing an inventory:
- a. Locate all records and nonrecord material of the organization or function concerned. Include any material not stored in filing equipment.
  - b. Cover all records and nonrecord material whatever their physical form (e.g., microform or electronic files).
  - c. Give clear and brief records descriptions and disposition instructions.
  - d. Tell how often the records are used.
  - e. Assign retention periods to nonrecord materials as well as to records.
- 2-2. WHAT IS A SERIES?
- a. Definition. A series is a group of records which:
    - (1) Have the same physical form.
    - (2) Are arranged under a single filing system.
    - (3) Relate to a particular subject.
    - (4) Document a certain kind of transaction.
    - (5) Are produced by the same activity.
  - b. Relationship to Inventory and Schedule. Records inventories and schedules deal with records in the basic unit of series, rather than separate folders or documents.
  - c. Warning. Don't combine separate series when preparing records inventories or developing schedules. It causes disposition problems later on. See Exhibit 2-1.
- 2-3. HOW TO PREPARE AN INVENTORY. Fill out a Form [HUD-67](#), "Files Survey," for each record series and for nonrecord material. See Exhibit 2-2. Use these instructions with the ones on the back of the form:
- a. Block 5. If the series is still being created, use "to date" or "to present" for the ending date.

12/89

- 
- b. Block 6. Avoid terms like "miscellaneous," "various" or "etc." which add nothing to the description. Don't use form numbers

alone to describe a record series. Examples of good descriptions:

"Correspondence file on agency inspections, including reports, questionnaires, and related papers."

"Work plans and quarterly reports from State offices, summarizing activities and accomplishments under all Division programs."

- c. Block 7. Give the number of full or nearly full file drawers or shelves holding the files. For large series kept in many file cabinets, estimate the number of full file drawers from a sample.
- d. Block 10. If the files have no apparent arrangement, check Block 10G and state that the files are unarranged. Attach a folder listing to the inventory form when Blocks 10A, B or C are checked.
- e. Block 11. The extent of duplication directly affects record retention periods. Example: When data are available in both paper and automated form, the paper records should have a shorter retention period than if they were the only source.
- f. Block 13. Check Block 13D if the files are unscheduled or kept indefinitely and explain this in Block 17.
- g. Block 14. These data are used to decide if bulky records can be retired to a Federal Records Center periodically.
- h. Block 17.
  - (1) Finding aids. List any finding aids to the series, such as indexes, lists of folders or documents, and file guides. List other series they cover. Give the location of the aids if different from the series.
  - (2) Restrictions on access and use. List any restrictions on access to and use of the series. Restrictions may result from:
    - (a) Executive Orders.
    - (b) Laws, such as the Freedom of Information and Privacy Acts.
    - (c) Internal policy or directives.
    - (d) Security classification of a series (such as "secret" or "top secret").

12/89

---

2-4. OTHER USES OF INVENTORY: An inventory can help uncover these problems:

- a. Poor use of filing equipment.
  - b. Needless duplication.
  - c. Poor records security practices.
  - d. Vital records not identified.
  - e. Poor filing systems and practices.
  - f. Needless reports.
  - g. Directives distribution problems.
  - h. Documentation problems.
- 2-5. WHAT IS APPRAISAL? Appraisal is the process of deciding each series' value for HUD and others. HUD appraises its records when developing its schedules. The National Archives and Records Administration (NARA) appraises the records before approving the schedules. Through this process, all record series are put in one of these categories:
- a. Permanent: Records to be kept in the National Archives permanently. NARA alone selects these records. In general, 5% of an agency's records are expected to be permanent.
  - b. Temporary: Records that are disposable now or later. Normally, 95% of an agency's records are temporary.
- 2-6. PRIMARY VALUES: HUD's administrative, legal and fiscal needs for its records. Records are temporary, and so disposable, if they have one or more of these primary values but no secondary ones:
- a. Administrative value: The usefulness of records in helping HUD do its current work. Administrative value may be:
    - (1) Short-term. Normal housekeeping records such as requisitions have short-term administrative value because they document routine transactions which are quickly completed. Many operating level records have little administrative value because they are:
      - (a) Duplicated elsewhere, as in correspondence.
      - (b) Summarized at higher levels, as in reports.
      - (c) Temporary controls, such as logs and tickler files.
    - (2) Long-term. Case history files on directives and regulations are examples of records with long-term administrative value. Upon NARA's request, records recommended for retention longer than 10 years solely for

12/89

administrative purposes must be justified.  
(Source: 36 CFR 1228.20(b)(1))

- b. Legal value: The value of records as evidence of legally enforceable rights or obligations of the Government. Examples: Legal decisions and opinions, legal agreements (such as leases and contracts), and evidence of actions in particular cases (such as claims papers and legal dockets).
  - c. Fiscal value: The value of records to show financial transactions. Examples: Budget records, voucher or expenditure files, or accounting records. Exception: Records on the development of fiscal policy may have permanent value.
- 2-7. SECONDARY VALUES: The research value of the records to others after HUD's needs are met. Secondary values are also called archival values. NARA selects records for permanent retention in the National Archives based on these secondary values:
- a. Evidential value: The value of records as evidence of HUD's organization and functions. These records show how the Government saw and met the needs of its citizens. Examples: Organization charts, functional statements, directives and other documents on HUD policy and procedures.
  - b. Informational value: The value of the information the records have on persons, things, problems and conditions with which HUD dealt. NARA uses 3 tests to decide if records have informational value:
    - (1) Uniqueness: When the information cannot be found elsewhere in as complete and useful a form. "Elsewhere" includes both Federal and non-Federal sources.
    - (2) Form: The degree the information is concentrated, the physical condition of the records, and ease of access to the data.
    - (3) Importance for research purposes.

12/89

2-4

- 
- A. This example shows an improper grouping of records which is not a series as defined in par. 2-2a:

Administrative History Files, consisting of correspondence and documents on the establishment of the Department and predecessor agencies, appointments, delegations of authority, original signed administrative rules and regulations, directives and opinions.

- B. The example above can be broken into these separate series:
  - 1. Correspondence and documents on the establishment of the Department and predecessor agencies.

2. Official Personnel Folders. Include documentation on appointments.
3. Delegations of authority files. Include redelegations and revocations or withdrawals of authority.
4. Proposed and final rules and notices published in the Federal Register. Final rules have the effect of law and are codified in the Code of Federal Regulations (CFR). Rules are also called regulations.
5. Directives. Include Handbooks, Supplements, Notices and Special Issuances. Do not include rules and notices published in the Federal Register or general publications.
6. Legal opinion files. Correspondence and related documents providing legal opinions, interpretations, rulings and advice on HUD programs and operations to HUD officials, other Federal agencies, States, Congress, HUD's clientele, and the general public.

12/89