

The Real Reason Schools Are Going Paperless

by James C. Beach, CPA.CITP

Traditionally, paperless initiatives have been driven by the ROI of cost savings in paper and supplies, storage costs, and labor. With the dramatic reduction in electronic storage costs and Internet bandwidth, the savings are even greater than before.

While these savings may be sizeable for any organization, typically they have not been great enough to overcome the school's inertia. Unless a school has had a champion (typically arriving from another organization and already having document management experience), although the school would benefit financially from such an effort, projects are often shelved until "a more convenient time," meaning "never."

Why, then, are schools now overcoming the inertia and moving forward with significant document management initiatives?

- The general operating environment has changed considerably. No longer is virtually all information coming to the school in paper format. Now data flows to and from the U.S. Department of Education, lenders, faculty, and students in electronic format over the Web. Failure to use digital information which is already available, or using it only haphazardly without adequate control and converting it

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back to paper for storage, simply does not make business sense today.

- Some organizations undertake document management projects because paper methodologies are simply not scalable to larger numbers of students, programs, and campuses. Manual processes effective for hundreds of students may become impossible with thousands of students in multiple locations.
- Some schools implement electronic document management systems to appear progressive to their students and peers.
- Reducing paper has become significantly easier with newer approaches to the original creation of documents in digital format, rather than reliance upon scanning and classification of records.
- Digital information submits itself to comprehensive security and privacy control.

- Having information in digital format fosters disaster recovery planning. Rather than having to protect physical files from fires or floods, electronic files can be easily duplicated and stored in backup locations ready to be restored in the event of emergency.
- Documents are available anytime, anywhere to those with proper security credentials.
- Records may be managed through their life cycle with proper logs as to their creation, modification, use, and destruction.
- Schools no longer have to rely on general broad-based document management systems, which do not integrate with their other systems and which cannot unlock the value of the information residing in the document management repository. Systems designed specifically for career colleges are now available.

- Poor records management and the inability to demonstrate the accomplishment of compliance objectives to third parties have adversely affected the value and salability of a number of career colleges.

But the real reason schools are going paperless is this: Astute school executives have discovered that electronic document management can significantly aid in the reduction of risk and an increase in efficiency at their institutions.

For example, how can a compliance officer properly oversee documentation locked away in file cabinets at multiple campuses? The best that can be done is for compliance personnel to pick a sample of student files and compare the contents against a checklist of what should be contained within the file. But when such files are in electronic format, it is possible to perform such checks automatically and continuously against every student record and against a



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AICPA and is also a member of the TSCPA and other professional organizations. Although active in tax practice for over 40 years, the last seven years have been focused on the application of technology to financial and compliance processes for accounting firms and career colleges.

SchoolDocs is a document management and tracking solution designed specifically for postsecondary educational institutions. SchoolDocs integrates closely with most student management systems, so that student data, scenarios, and indexes do not need to be redundantly entered into two different databases. This feature offers schools an assurance that different, conflicting data does

not appear in multiple systems and that underlying student documents can be accessed directly from within the SMS.

SchoolDocs simplifies and adds value to the regulatory, licensing, accreditation, and Department of Education compliance processes—it's an essential management tool, which allows schools to anticipate and document each compliance element. It supports records retention policies and requirements related to the lifecycle, disposition, and destruction of student and corporate documents, and helps ensure maintenance and documentation of student privacy requirements.

SchoolDocs also manages internal corporate documents and monitors due dates of required documentation for single or multiple campuses.

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dynamic checklist, which changes automatically as a student's status changes within the student management system. The document management system then becomes an essential management tool, which allows an institution to anticipate and document each compliance element monitored by accreditation, licensing, and other auditing/compliance organizations.

Such automated compliance checks can determine whether student files contain updated records as to academic progress and status (Should there be a probation letter in the file?), items specific to various programs (Have the students in the nursing program received their required health checks?) and financial aid (the list is endless in this vital department).

Although many schools use document management systems to manage student files, more and more institutions are using these systems to facilitate compliance with respect to corporate issues, such as accreditation, licensing, faculty records, etc. Again, by comparing corporate files with dynamic checklists for required files, due dates, and expiration of specific documents, schools will achieve assurance that general files are adequately maintained, updated, and protected, whether they are kept at the corporate or campus level. Without such continuous monitoring, how can management be sure it is aware of the due dates to review various contractual obligations such as leases? How can it be positive that faculty records have been periodically updated?

Issues identified by upper management requiring notification and accountability can be automatically reported to school staff for monitoring and response. This helps schools satisfy and document certain criteria related to educational value, administrative capability, and financial responsibility.

Properly implemented document management systems provide a foundation for expansion and make it easier to begin operations at new institutes and learning sites, while ensuring compliance of the new sites with existing corporate governance.

With respect to the other major benefit—workflow—the goal is to ensure that all documents are on file and available for each business process and that the data contained within them is accurate and consistent with other databases. This is simply not possible using a paper-based system. With properly integrated electronic systems, such accuracy and consistency are feasible.

Furthermore, electronic documents can be routed appropriately and immediately through the organization for modification, review, or approval. They can be available to more than one process at the same time, which allows parallel, rather than strictly linear processing. One document can indeed be in two places at the same time, if necessary.

The real advantage, though, is that electronic workflow compels adherence to the established processes and policies of the organization. Deviation is either documented or not permitted without authorization.

So, what is the first step toward a paperless school?

To start the project, the school needs to develop a comprehensive Records Plan, which would include the following:

- Review and documentation of all corporate and administrative record types, including those required for all regulatory, licensing, accreditation, and corporate compliance processes, as well as records related to periodic renewals, such as leases;

- Review and documentation of all student records, both paper-based and electronic (from within the student management system), with emphasis on documentation of the U.S. Department of Education's compliance processes;
- Recommendation for forms consolidation, simplification, and conversion to electronic formats where appropriate;
- Review and documentation of current workflow processes and methods, including electronic initialization of documents, as well as imaging;
- Development of life cycle for all record types: creation, retention, storage, retrieval and disposition, as well as requirements for audit logs of records activities;
- Consideration of security and privacy aspects of the records plan, with particular attention to student privacy;
- Development of a compliance calendar to initiate timely compliance activity and to monitor the due dates of required documentation;
- Determination of triggers for compliance requirements and resulting activities;
- Identification of notification and accountability requirements desired by management, which can be reported to institutional staff for action and to management for monitoring and tracking; and,
- Discovery of practices that will facilitate both compliance and financial auditing of school records.

Although at most schools, document management projects are planned and implemented by the technology group, the benefits stretch across many departments. Consequently, a team comprised of representatives from the admissions, financial aid, registrar, accounting, internal audit, legal, technology, and compliance areas should develop the Records Plan. The members of the evaluation team should have sufficient records management, systems, compliance, accounting and technology backgrounds to assess the difficulties and opportunities presented. Often schools need some outside help to organize and facilitate such a team and to provide technical advice as needed.

In addition to the deliverables listed above, such an investigation will allow participants at a school to become fully engaged and to own a piece of the project with clear value points in matters important to each stakeholder. At the very least, the institution will have done the diligence to back the decision to move forward, postpone or decline its records management initiatives.

In summary, the movement toward adoption of sophisticated document management systems is accelerating. The first step in the process is the development of a comprehensive Records Plan for the entire organization. Besides the cost savings, implementation benefits include significantly improved workflow and the opportunity to achieve dramatic improvements in risk management and compliance.

This is the best of times in the field as it relates to growth and expansion, and it is the worst of times as it relates to increased risk for compliance.