

**Business Case #110****(50 Points)****PARKLAWN PROPERTY MANAGEMENT, INC.**

Topic: Comprehensive Records Management

Subtopics: Availability, Communication, Creating Policy, Integrity, Procedures, Records  
Retention, Storage**CURRENT BUSINESS SCENARIO:**

You have been hired by Parklawn Property Management, Inc. as a RIM consultant to review the current handling of their business records. Parklawn provides leasing and management services for office, home, and vacation rental properties throughout the country. The company consists of a headquarters office and local rental offices distributed throughout a dozen major cities, as well as numerous mountain and coastal resort towns.

Last year, a major international technology company wanted to renegotiate the terms of their current rental agreement with Parklawn for their headquarters building and to add new leased office complexes in two additional cities. The deal for adding the new office space was contingent upon applying current market pricing per square foot to the headquarters and new locations. Given the glut of office space on the market in the cities where the headquarters and new complexes are located, it would have been highly desirable for Parklawn to lock in a long-term tenant at three locations.

File clerks at the Parklawn branch in the city where the technology company was located, could not find the original paper contract, related documents, or copies in time to meet the technology company's lease deadline. As a result, Parklawn lost a major tenant to a competitor. The technology company's contract and associated paperwork were found about two months later in a poorly labeled box in a commercial offsite records storage center.

Another recent incident at Parklawn involving a former employee resulted in negative publicity and the need to notify current and former clients of a data breach. Parklawn discovered a departing employee took sensitive data from a vacation rental office, including information such as names, birth dates, addresses, bank account numbers, social security numbers, and income information had been copied by the employee from rental applications.

The Director of Operations has instructed you to examine the current RIM processes and propose company-wide changes that will improve access, storage, retention, adherence to processes, and security of rental agreements. You have 90 days to present your report.

## **FINDINGS:**

As you familiarize yourself with the company's records, you find that Parklawn's rental contracts fall into three major categories: short-term/weekly contracts for vacation rentals; monthly or annual rentals for apartments and houses, and multi-year/Decades-long contracts for commercial real estate.

Depending on the individual office and types of rentals each office manages, records management processes in Parklawn's offices varies. Some manage paper on-site in file cabinets and local offsite storage, while others conduct business in paper and scan it to electronic format for storage on servers located on-site. Additionally, other offices create, complete, sign and store all applications and contracts in an electronic format on servers located at the Headquarters office and vacation rental offices. Some of the busier locations manage company document electronically in content management systems.

Parklawn has some records management policies in their collection of company business policies at the headquarters offices, but they do not include rental offices or their business processes. Some of the policies are out of date and could use a revision to reflect the way the company currently operates and the legal requirements with which they must comply. Company policies are infrequently and inconsistently communicated to the rental offices.

Parklawn has struggled historically with the management of long-term commercial rental contracts. Many of the contracts span several decades and originated in paper. As contracts come up for renewal, they can be difficult to find, often because the files may have been moved offsite and there has been turnover in personnel during that timeframe. Written procedures for maintaining long-term rental agreements at some of these rental offices are often non-existent or out of date. Most of the employees handling the contract files are unfamiliar with the company retention schedules for rental contracts or with any other jurisdictional legal requirements, other than knowing contracts should be kept for the length of the lease. Timeliness of destruction and

adherence to retention requirements varies between office locations. There is no training in records management or standard operating procedures for this process, except for what an individual office might create.

Parklawn's rental agreement documents are typically held by the rental office closest to the rental property site. As the company has grown, additional rental offices have opened. As each new office opens, the former servicing rental office is supposed to transfer files of properties to be handled by the new office. In reality, a full transfer of appropriate files doesn't always occur because of a lack of resources to perform the task. The lack of full transfers prevents rental offices from finding needed files promptly for rental properties.

Some of the properties managed by Parklawn, such as houses and apartments, may be in the company's portfolio for decades. Throughout the years, critical records related to maintenance histories and warranties for equipment, appliances, and repairs have been lost. The misplacement of these documents has been costly to Parklawn, as the company cannot provide proof of entitlements and guarantees covered by warranties when appliances and systems in the homes they manage fail.

Because of the long-term nature of many of the rental and management-related documents that Parklawn must maintain, individual rental offices run out of storage space. As a result, many rental offices have independently moved tenant files to commercial off-site storage. Some of the offices are very diligent about numbering boxes and shipments, as well as developing finding aids and maintaining descriptive inventories records stored offsite. Other offices are very casual about maintaining documentation regarding what Parklawn stores offsite. Each rental office is responsible for their terms and agreements with the storage vendors. At Parklawn headquarters, managers have discovered that some storage vendor agreements have become very expensive with higher pricing quoted to some rental offices than others, despite the offices having similar numbers of boxes in storage. Boxes offsite that should have been destroyed long ago, add to the company's records storage costs.

Parklawn headquarters provides rental offices with rental agreement forms and templates, customized for the legal requirements for each jurisdiction. You discover that over time, some offices, especially those still using paper-based processes, used outdated versions of the proper

forms. Variations of forms resulted in some cases of rental agreement contracts missing critical legal clauses that help to protect Parklawn's interests and properties.

The Vacation Rentals Division of Parklawn operates in an all-electronic content management system environment. Because of the short-term nature of each rental agreement, the high volume of lease turnover of each property, and the large number of tenants, the division developed an electronic system to create and submit rental applications online. Additionally, the system can process and store rental agreements and handle payment transactions. Customers and Parklawn employees who administer the vacation rental process are happy with the system.

In reviewing the security of rental agreements, you discover that during summer, when the demand for vacation rental properties is high, Parklawn hires many temporary employees. The temps help rental office staff process rental applications and perform credit checks on potential renters. Currently, no screening or background checks occur, other than the normal call to the job applicant's references on their resume. The training the temps receive is minimal, as the vacation rental offices are busy seasonally and don't see the value of investing in training if the employees depart within a few months.

### **ACTION:**

This business case has been designed to assess your proficiency in outlining problems and potential solutions. Write a clear, well-organized narrative business case that can be presented. Your business case should address evident problems and propose outcomes.

Your business case will consist of two parts: an Executive Summary and an Analysis. The Analysis consists of several sections that will require a discussion of the problems and your proposed outcomes.

#### **I. Executive Summary**

**10 points maximum**

Explain (no more than 2-3 paragraphs) the basic overall problem(s) that you have identified, the key issues or factors that must be resolved, and a high level description of your proposed outcomes.

**II. Analysis:**

**40 points maximum**

This section should deal with the specific problems and issues discovered during the study of business case scenario and findings. Your business case may contain lists, so long as the section includes a paragraph explaining why the actions are appropriate. Your business case may not consist only of lists, and should address the following sections.

**A. Identification of the Problems**

**10 points total**

Identify the critical issues related to the storage and management of rental agreement records across all Parklawn locations. Describe why these RIM issues might be perceived as problems by Director of Operations.

**B. Recommendations for Managing Records**

**20 points total**

Provide recommendations for how Parklawn should store records and relate how they provide solutions to the problems identified in Section A.

**C. Recommendations for Handling Sensitive Information**

**10 points total**

Provide recommendations for how Parklawn employees should handle sensitive information. Include a description of why these steps are important to the company.