

# Business

By Bill Williams

Taking a Deeper Dive into Your Trust Records ...

## *What Would You Find?*

April is known as National Records and Information Management Month, which exists to emphasize the critical importance of keeping the books of your business properly reconciled, organized and secure. To kick off the month, FSI President and CEO Bill Williams shares best practices for recordkeeping that can help automate workflow, enhance efficiency and keep you out of regulatory hot water.

The transition to technology across all industries has created a problem for most businesses and how they approach records and information management. This is especially true for information you don't necessarily track on a daily basis, such as the cash flow of your preneed and cemetery contracts and trusts.

From one perspective, technology has helped cut down daily paperwork and therefore, has sped up day-to-day processes. Here's the problem: Some may assume this enhanced efficiency automatically

equates to stronger organization of the information going across your desk. The truth is, the faster information flows due to the benefits of technology, the easier it is for those records to become disorganized and harmful to your business in ways you may not realize.

According to research from PwC, also known as PricewaterhouseCoopers, a multinational professional services network, more than 60 percent of financial losses at the enterprise level are a direct result of compliance-related accidental breaches, such as misplaced files.

This is an alarming statistic that further proves an organization must have an effective records management program in place for all of its data. One of the most important pieces of information to keep well-maintained are the records related to your preneed and perpetual care trusts. Despite these records serving a crucial role in the short- and long-term sustainability of your trust and business, FSI has seen the disorder of these records result in legal, regulatory and operational issues far too many times.

For example, “How to Smoothly Transition Financial Assets,” which appeared in the October 2018 issue of *American Funeral Director*, noted disorganization, instability or the lack of a records management program can lead to significant problems when acquiring or merging with another firm. Whether you are the buyer or seller, the last situation you want to put yourself in is having to deal with transitioning poorly arranged records and the countless issues that come with it.

If you have any doubt on the overall health and proficiency of your records management program – especially related to your trust – what better time to address it than during April’s National Records and Information Management Month. Through our more than 40 years of serving the death-care profession, FSI has identified the following practices that will help eliminate any doubt of your records and information being mismanaged, disorganized or vulnerable to avoidable risks.

### **Maintain Active Communication with Your Trustee**

No matter the circumstances, keeping an open and fluid line of communication with your trustee is critical. This suggestion is especially vital when considering taking action to improve the administration of your records and information. While the typical trustee does not manage your individual contract records, but rather the trust as a whole, they are extremely helpful in keeping your actions aligned with the goals of your trust and helping you find the right solution or resource to help you solve this potential problem.

### **Find a Digital Platform that Keeps Your Records Organized**

As mentioned at the beginning, technology can be of great benefit to your business but can also create ad-

ditional problems if you aren’t careful. In this case, investing in more technology will actually help solve those problems. There are digital platforms that primarily exist to properly organize records and ensure they remain accurate, especially if they are fluid and change often.

This capability is especially critical when you have transactions moving in or out of your trusts on a daily basis. When you throw in whether or not preneed contracts are trusted appropriately, and the monthly distribution of investment earnings to every contract line item, you can see how quickly the records can become disorganized or illegally reconciled without the proper tools to maintain them. In this case, a robust digital platform can be your best friend.

### **Establish a Plan for Data Hacks**

In today’s world, data breaches are an unfortunate reality we all have to deal with and address. Part of that reality is understanding that it is impossible to eliminate the possibility of a hack, but that you can have a proactive approach to minimize its chances.

Minimizing the possibility of a data breach can be as simple as transitioning your business to the cloud. While some may believe this makes your data less safe, it is actually the exact opposite. By utilizing the cloud, records and information are professionally safeguarded at off-site data centers, with the highest levels of digital encryption.

Of course, before you take any action, you should always consult the team of professionals in your IT department, or look to engage a trusted third party to assist. They should have recommendations that best fit the needs of your business.

### **Assign an Internal Champion or Consider External Help**

Maintaining a robust records management program is an important responsibility, and it should be addressed as one. Consider assigning a member of your team to champion the proper organization and administration of all of the company’s records and information. This way, you have someone as dedicated as possible to ensuring they remain in order and up-to-date.

Of course, this responsibility may require too much time for your current team to manage, and it may not be a project that fits well into their strengths. In this case, it would be highly beneficial to consider an external source to manage the records and information related to your preneed or perpetual care trusts. If they understand the death-care profession and its countless regulatory complexities, and have the technology to match it, all of the above practices and problems are practically addressed and solved.

### **So, What’s Next?**

If you feel you need to address the organization of your records and information, you can get started by conducting an internal audit of this data. This process can help you identify your program’s potential flaws and what you can do to improve them as quickly as possible. As noted previously, your trustee and other external resources can be extremely valuable with helping you find the inefficiencies and address them with solutions that make the most sense for your business.

As technology and your business continue to evolve, the way you manage and maintain your records should, too. By staying on top of your records and information, you are keeping your trust out of trouble and creating the best opportunities and outcomes for you, your clients and their loved ones. •