

# Do You Have a Plan?

## Vital Records Protection for Funeral Directors

So far, 2008 has shaped up to be one of the worst years in decades for tornados, with many devastatingly violent storms wreaking havoc across mainly the South and Midwest. Dozens of lives have been lost, and many homes and businesses were destroyed.

Two north Florida communities, Lake City and Columbia County, were struck by a tornado that left two people dead, wrecked more than 60 homes and businesses, and caused \$3 million in damages.

The Caesar Funeral Home, a neighborhood fixture in Lake City since the early 1950s, suffered serious damage. However, it did not receive any federal aid because its interior held up better than the outside. As a result, the owners will have to shoulder the burden of bringing the business back to its pretornado state.

As in any major disaster, the overall response and cleanup effort will force businesses to implement contingency plans; that is, if they had the foresight to develop such plans.

Many organizations may ask employees to work from home, report to other locations or offices, or take some time off. Obviously, a funeral business has less remote workplace options than an accountant, salesperson or an attorney.

However things turn out for Caesar Funeral Home, the most instructive takeaway from that incident is the importance of contingency planning.

Whatever steps you take, as a funeral director, to mitigate the impact of a business interruption, one thing you will definitely need is access to the business's vital records. If you have to move to a temporary

location, you'll need those records.

Also, if you are ever seeking an insurance payout or even governmental financial assistance, you will need to produce certain vital business records to get those funds. If you are unable to access those records, and officials have to verify the value of the property losses, you risk delaying or reducing the funding.

Funeral directors and funeral business owners should (and most do at least to some extent) prepare for any contingency and disaster by creating and protecting vital patient records, accounting documents and information from human resources. This process, known as Vital Records Protection, provides insurance that these vital records will not be lost or destroyed in a disaster.

Fire, accidental or otherwise, is the most common threat. The most typical reason for a vital document to be rendered unusable after a fire or flood is water damage. The fire suppression systems in the building and from the hoses used to extinguish the flames can create a lot of damage to documents if they are not protected properly.

Also, if the records are not protected in a UL-rated fireproof container, they will obviously be very vulnerable to fire damage.

"Vital records for a typical funeral business take many forms, and they may not be obvious or in any way intuitive to those outside the

profession," said Philip Jan Rothstein, president of Rothstein Associates Inc., a management consultancy that emphasizes business continuity, disaster avoidance and recovery.

Rothstein added, "Aside from the typical business records – such as payables, receivables, general accounting and tax liabilities, appointment scheduling, patient records – vital records specific to funeral businesses include price lists ... and different state's licensing bodies also may require extra protection of certain records."

Also, he said, "Malpractice issues could be compounded by careless record protection if VRP is not addressed; confidentiality and nondisclosure requirements may be breached; and, of course, quality of client care could also be adversely affected."

### How to Implement VRP

The first step in the VRP procedure is to develop a system for classifying documents and records (paper-based and digital) by level of significance to the ongoing operations of the funeral business. Classifications should label records and documents according to the following categories:

1.) **Vital Records** – records containing information necessary to resume operations after a disaster, re-establish legal and financial status of the organization and determine the rights and obligations of individuals and corporate bodies with respect to the organization.

2.) **Important Records** – records

# John Adams: Before HBO, There was American Funeral Director

## FUNERALS

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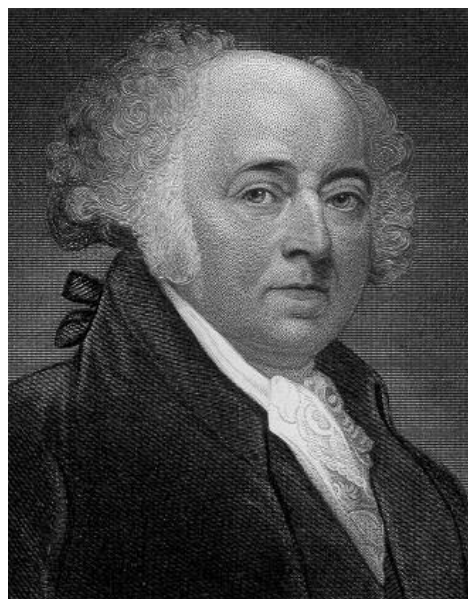
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that can be replaced but only as the result of doling out money and sacrificing time.

3.) **Useful Records** – records that, if lost, will cause some inconvenience but could be readily replaced.

4) **Nonessential Records** – records that are in line for routine scheduled purging.

After you classify and categorize the records, put together a program for backing them up. That means making copies of electronic records and data and retaining them outside the funeral home.

Backups can be stored on various media, including paper, disks or tapes. Simply classifying and developing a back-up program is not enough, however. Once these first two steps are complete, the next step is to secure all labeled records in a UL-rated fireproof container,

typically a data safe or file cabinet.

There are several practical reasons why a funeral business' vital records should be stored in fireproof containers. These records provide proper documentation that relate to each individual death and also can be used to prove innocence in litigation or reimbursement issues.

#### What is needed?

According to the National Fire Protection Association Standard 232, "Protection of Records," if you are keeping vital records on-site, they need to be stored in a secure, fire-protected location in a fire-resistant file or vault that has been tested by Underwriters Laboratories or another nationally known independent testing lab.

For example, if most digital data is stored on CDs or zip drives, it is

imperative to use specially designed containers called Media Vaults. These units are small, portable fireproof containers designed to protect patient records stored on CDs, zip disks, diskettes and microfiche from the damaging effects of heat, humidity, dust and magnetic fields.

Regardless of the media on which the data is stored (paper or digital), standard filing cabinets and file storage systems will not provide the adequate protection from fire or water damage. A UL-rated fireproof cabinet (the type that stores hanging paper files) will not protect media contained on videotape or digital disc. It is necessary to use a container specifically designed to protect electronic media.

Since tape and disc media degrade at temperatures of 125 degrees or humidity over 85 percent, you must use equipment that has been tested by Underwriters Laboratory and rated to remain at or below 125 degrees for at least two hours when exposed to fire up to 1,850 degrees.

Also, water from fire hoses, sprinklers and burst pipes must be considered, and that is when the interior relative humidity less than 80 percent standard becomes crucial.

Even if a funeral business deploys an off-site record storage solution from a specialized records storage and records management solutions provider, it is certain that at some point any active funeral home will have vital records on site and a need to protect them, and no one can predict when, where or how a disaster will occur. •

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# Funeral Service Business Plan