

Business Case #96

(50 Points)

BARON'S CHILD CENTER

Main Topic: Record Retention

Subtopics: Communication, Compliance, Creating Policy, Litigation, Procedures

CURRENT BUSINESS SCENARIO:

You have been hired as a RIM Consultant by Baron's Child Center Incorporated (BCC). BCC started out as an independent family-run day care center. Over time, the center grew to include summer camp programs, in addition to day care and after-school care. About ten years ago, BCC started selling franchises and now there are over 100 locations nationwide providing services for children from infancy through age 15. The corporation has become quite successful financially and its day care centers are popular with working parents.

Late last year, BCC was notified of litigation involving one of its franchisees. In the lawsuit, the plaintiff accused the franchisees' staff of not preventing the spread of a highly communicable childhood disease by allowing a sick child to attend the center after symptoms were present. BCC settled the case out of court. The president of the company would like you to provide recommendations that address centralizing the management and maintenance of records while allowing needed access to franchisees. He feels that this change would enhance communication and responsiveness within the company.

ISSUES IDENTIFIED:

You spend one month visiting various BCC franchisees and interviewing headquarters staff. Typical records that are collected or generated within each franchise fall into three main areas: business, employee, and student. The business records they keep include tuition payments, subsidy vouchers, accounts payable, tax information, center calendars, schedules, permits, and inspection certificates. Employee records include payroll, benefits, background checks, health assessments, and teaching certifications. Student records include health assessments, vaccination confirmations, attendance records, permission slips, daily activity logs, correspondence

with parents or guardians, and emergency contact forms. You find that recordkeeping requirements vary between locations depending on applicable local and state laws. In addition, requirements for the protection of student and employee health information have become increasingly strict over time at a national level.

The state health department initially investigated the franchise involved in the lawsuit and requested access to their records. The plaintiff requested both the records of the franchisee and the findings of the health department's investigation. During the discovery phase of the litigation, teacher certification, student attendance, and student vaccination records were examined, but not all of the requested records could be located and many of the records produced were incomplete. In addition, it was found that the franchisees' staff did not follow the company's communications policy and local health laws for producing documentation of illnesses and notifying the county health department, the students' parents, and the headquarters office. The plaintiff's legal counsel also found that the franchisee had no practices in place during the normal course of business to protect the confidential health files.

You find that very few of the franchise operations have any dedicated clerical staff. As a result, the teaching staff must ensure that all required paperwork is collected for each child and distributed to the appropriate on-site file or sent to the headquarters office. In the child care business, employee turnover is high, as is the population of students. Students who stay with the child care center for any length of time often change back and forth from full-time to part-time status depending on when school is in session. The teaching staff must ensure that the student's schedule is up-to-date, in addition to processing tuition payments on a weekly basis, and maintaining the health records. When parents bring in copies of records and forms while dropping off their children, the paper often gets misplaced during the arrival activities. At many locations, the teachers do not have enough time or help to both supervise the children and handle office work in a timely manner. They also do not have time to review, organize, or dispose of outdated files. To date, BCC has not provided much guidance or training to franchises for determining or applying document retention periods, resulting in inconsistent practices across the company.

Over the past year when new franchises opened, BCC provided desktop scanners as part of the start-up operations kit. At these locations, franchise staff scan in paper student records and franchise business function documents and store them in a content management system at

headquarters. BCC is able to manage the records electronically at the corporate level. In addition, parents at those locations are now billed for tuition from a central headquarters location and can pay tuition online. This has assisted the franchisees with recordkeeping while helping keep the headquarters informed of their activities. It has even facilitated the transfer of records between franchises for students changing child care centers. The new BCC system also allows for email communications between franchise staff and parents. Although the owners of many of the existing franchises understand the benefits of electronic files, emails, and centralized billing, they are not willing to invest in the equipment and software that the newer franchises received as part of their start-up kits.

As another part of its business, BCC has started to develop online orientation and learning modules for the child care employees. In addition, BCC would like to store and distribute company-developed and approved educational and entertainment videos electronically for broadcast to the students in the different centers across the country. This would help to provide consistency in the educational programs and promote the company branding, across all locations. Currently, BCC has not decided how to distribute the videos to the franchises.

The president of BCC expects to receive your assessment of the current state of recordkeeping for the company and your recommendations in one month.

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 address the specific problems and issues discovered during your study of the records management practices at BCC. Your analysis may contain lists or bullet points, so long as the section includes a paragraph explaining why the actions are appropriate. Your business case may not consist only of lists or bullet points without explanation. Your business case should address the following topics:

A. Identification of the Problems

15 points total

Identify problems that you see at BCC. Discuss why a RIM Manager would perceive those issues as concerns or risks.

B. Recommendations

25 points total

In order to correct the problems you have identified in Section A, propose how the issues can be addressed from the point of view of a RIM Manager.