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SOS Educational Webcast: Documenting the Process: Why You Shouldn't Rely on Memory Alone

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Materials Slides

http://www.sos-team.com/pdfs/documenting_the_process.pdf

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Agenda

- Why Documentation Is Important
- Processes that Should be Documented
- Level of Detail
- Potential Audience
- Storing Your Documentation
- Anything else I could/should document?

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Why Documentation is Important

- Best practice: able to show consistency in performing equity procedures/processes
- Compliance: SOX requirements
- Planned absences: Vacations, Leave of Absence
- Unplanned absences: Family emergencies, medical issues
- Refresher for "infrequent" processes (ESPP enrollment and purchase, proxy reporting)

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Processes that Should be Documented

- Everyday (day-to-day administration)
  - Settling option exercise trades
  - RSU releases
  - Demographic updates (name, address, termination)
  - New grant/award updates
- Section 16 processes
- Monthly/Quarterly processes
  - Validating the month's activity
  - End of quarter preparation and reporting
- Year end processes (calendar and fiscal)
  - Preparing for year end
  - Year end reporting
  - Vendors involved with year end (6039)

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Processes that Should be Documented (cont.)

- Complicated/unusual processes
  - Manual workarounds
  - Processes that involve other departments
  - Processes that are out of the ordinary
- Infrequent processes
  - ESPP enrollment and purchase
  - Proxy reporting
  - Death
  - Divorce
- Team Members
  - Who, title, email, phone

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Level of Detail

- Start with the basics if time is limited
  - Checklist of steps
- Expand when time allows (off peak periods)
  - Narratives (details about company, plans, why, how, who)
  - Specifics related to equity software
  - Screen shots
- Process Flows
  - Simple or Complex
- Combination of all of the above

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Samples of Detail Levels

Samples of Detail Levels

High Level ESPP Process Flow
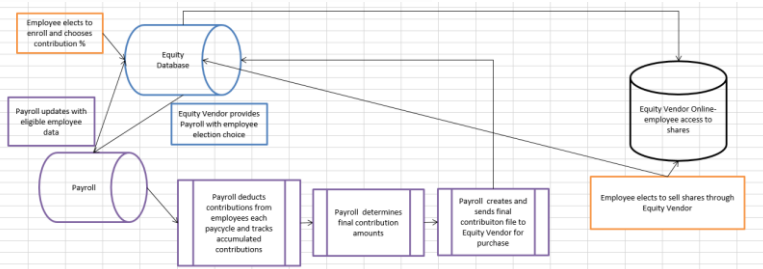
Potential Audience

- Someone with no stock admin experience (a monkey)
- Your back up within the company
- An outside stock admin consultant
- Your boss
- Auditors
- You!

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Storing Your Documentation

- Accessible to anyone who might have a need
  - On your desk (check list only)
  - Saved on the internal network
    - Set up a special folder and ONLY provide access to company approved personnel
- Be aware of confidential information in the documentation
  - Passwords/User Names
  - Employee specific data
  - Personal phone numbers
  - Screen shots containing confidential information
- Storage mechanism may be subject to audit and compliance reviews

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What else could/should I document?

- Historical stock splits (forward and reverse)
  - Board minutes, proxy details, SEC filings
  - Employee communications
  - Equity adjustment process
    - Who, how, tools used, etc.
- Previous merger and acquisition activity and special treatment
  - Same as above plus…
    - Acquired company equity plans and processes if available
- Fiscal year end (if differs from calendar)
- Full list of current Section 16 reporters (and previous reporters)
- Divorced employees and NEFS
- Company policies (or lack thereof)
  - Grant Guidelines (HR/Compensation Committee process)
  - Mobility
  - Charge Backs
  - Toll vesting for LOAs
  - Transfer Agent

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What's next?

- Should I Go or Should I Stay?
  - Take that long needed vacation – unlike the song lyrics…If you go there won't be trouble…your documentation will save you
- Job security – documenting your processes won't get you fired, rather they prove how much work you do and your value to the team
- Start small and grow!
- Ask for help if you are struggling on where to start

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Questions?

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Contact Information

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