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SOS Educational Webcast: The End is Near: Preparing and Checking Your Year-end List (twice!)

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Materials Slides

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

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Agenda

- Historical Processes
- Business Partners
- Vendors
- Employees
- Conclusion

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HISTORICAL PROCESSES

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Last Year's Processes

- Review last year's deliverables
  - Create a list of the reports you ran last year for your business partners
    - Will the same be needed this year
    - When were the reports due
  - Create a list of any vendors you used
    - Do you plan to use again this year
  - Create a list of deliverables for employees
    - Any known changes for the current year

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Last Year's Processes

- Create list of deliverables from previous year to use as outline for this year's checklist
- Note any changes from the previous year
  - New business partners, personnel changes
  - New vendors
- Consider any company changes that would impact employee statements or communications
  - Expats, global mobility
  - Mergers or acquisitions

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BUSINESS PARTNERS

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Who, What and When

- Who are your business partners?
  - Tax
  - Payroll
  - Accounting
  - Human Resources

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Who, What and When - Tax

- What do they need?
  - Schedule a meeting with tax early in Q4
  - Go over reports provided previous year, confirm if same reports needed this year
  - Are any additional reports required?
  - Confirm who receives reports & how
- When do they need it?
  - Confirm dates reports are due -- not all reports may due at the same time
- Provide outside tax consultants with transactions for expats & anyone they provide services to

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Who, What and When - Payroll

- What do they need?
  - Audit report of taxable transactions for employees with US payroll entries
    - Include domestic, expats & international with trailing liabilities to US
    - Suggestion: do quarterly audits then Oct/Nov in early Dec so only one month of data needs to be audited at year-end
  - Types of transactions
    - Stock option exercises
    - Restricted stock releases
    - ESPP disqualifying dispositions (and qualifying if you track them)
    - ISO disqualifying dispositions
- When do they need it?
  - Confirm when the data is needed

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Who, What and When - Accounting

- What do they need?
  - List of transactions for Board of Directors for 1099 purposes
  - List of transactions for consultants for 1099 purposes
  - Standard reports for SEC reporting
    - Month-end
    - Quarter-end
    - Year-end
- When do they need it?
  - Find out when their deadline is

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Who, What and When - HR

- What do you need?
  - Current list of employees with departments and addresses
  - List of terminations for the year
    - Audits should be done periodically throughout the year
  - Last known addresses for employees terminated during the year
- When do you need it?
  - By end of year

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VENDORS

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Who, What and When

- Stock Platform
- Transfer Agent
- 6039 Consultants

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Who, What and When - Platform

- What year-end tasks are required?
  - Reset YTD, Wages and Supplemental income to zero
  - Update tax percentages and limits
  - Update ESPP and ISO dispositions not already entered
  - Update allocated shares for evergreen provision if applicable
  - Verify access to data for SOX controls (this may be required quarterly or annually based on your narrative)

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Who, What and When - TA

- What year-end tasks are required
  - Reconcile plans with stock database
  - Download data for roll forward
- Mergers and Acquisitions
  - Do you have an escrow or paying agent that is separate from your transfer agent they will need to send out tax information to employees

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Who, What and When - 6039

- Do you outsource 6039 reporting?
  - Contact vendor in Q3 for an updated statement of work
  - Get approval for statement of work from Legal
  - Generate the purchase order for the statement of work
  - Get list of deliverables and due dates from vendor
  - Provide deliverables on or before the due dates
  - Audit completed 3921s and 3922s when complete
  - Give vendor final approval to mail out completed forms

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EMPLOYEES

What, When and How - Employees

- What are your deliverables to US employees?
  - 6039 Statements
  - Tax Summaries
    - Options & Restricted Stock, ESPP
  - Tax Memo
- What is your deadline to deliver?
  - By January 31, can be sent earlier
- How do you plan to deliver?
  - 6039 Statements must be sent snail mail
  - Other documents can be included in mailing or sent electronically

What, When and How - Employees

- Suggestions
  - Remind employees to update address in early Q4
    - Can be sent with paychecks or highlighted in online access
    - Send targeted message to employees using corporate address
  - If you survey for ISO & ESPP dispositions, should be done quarterly with final deadline in early Dec

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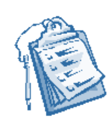
Sample Checklist



Checklist for Year-End

Year: 2016

Date Due	Item
Jan 2, 2017	Reset database to zero for YTD, Wages and Supplemental Income
Jan 2, 2017	Download share data from transfer agent
Jan 6, 2017	Updated Dispositions and taxes for payroll for last run of 2016
Jan 10, 2017	Tax reports due
Jan 13, 2017	6039 data to vendor
Jan 16, 2017	1099 data to Accounting
Jan 20, 2017	Audit 6039 forms
Jan 25, 2017	Send out Tax Summaries and Memo
Jan 31, 2017	6039 forms mailed

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CONCLUSION

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Conclusion

- By working with your business partners & vendors you can create a comprehensive year-end plan
  - List each item needed and by whom
  - List date each item is needed
  - Lay out in form of a date driven checklist
  - Check off each item as it is completed
- After you check off the last item on the list

CELEBRATE!!

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Questions

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