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# Automated document management: Stay on top, stay on time

Corporate secretaries and other compliance professionals have seen their workloads and responsibilities increase significantly in recent years. Stringent legislation, intensive shareholder scrutiny and more hands-on boards of directors have led to an often overwhelming amount of record-keeping and compliance duties, all of them time-consuming and at the same time critical to maintaining the good standing of the company.

One of the most significant challenges is ensuring that filings are accurate and timely. Deadlines have multiplied as new requirements have been added and deadline frequency increased, and regulators are now much more likely to impose serious consequences for missed deadlines. In addition, most companies operate in a number of jurisdictions, making the issues of volume and timeliness even more troublesome.

Corporate secretaries, tax managers and compliance officers have traditionally relied on solutions such as spreadsheets, databases and off-the-shelf calendars to manage filing obligations, but they are finding that such tools are insufficient as their filing needs increase. Such systems are labor-intensive and time-consuming to maintain; they are difficult to share, and data extraction is onerous; they become quickly obsolete, and most importantly, they do not adequately address deadline issues, which can put the company's good standing at risk.

For these reasons, these professionals have begun searching for comprehensive

calendar systems that automatically track all filing requirements, and at the same time reduce the amount of time and resources spent on the process.

'Establishing an effective, company-wide strategy toward entity management and corporate compliance can lead to significant time savings and mitigate the risks of missed filings,' says Chris Quimby, product manager of compliance and governance at Corporation Service Company (CSC). 'Such a

Compliance Calendar consists of two components, the first of which is a fully-automated system that allows companies to stay on top of all jurisdictional good standing requirements. The system correlates the entities within a company's portfolio to the jurisdiction rules and due dates for all annual reports, franchise tax and miscellaneous filings in each of the jurisdictions where the company operates. Companies are notified via e-mail as deadlines approach, and are

*There are a number of advantages to having the calendaring and entity management tool in a web-based platform that is administered outside the company*

strategy increases the productivity and workflow of the corporate secretary, as well as providing opportunities for cost savings.'

### *Save the date*

To this end, CSC has developed Compliance Calendar, a comprehensive calendar application specifically designed to help clients ensure jurisdictional good standing at the Secretary of State level. 'This is where a fully automated system is vital,' says Quimby. 'Apart from unwanted attention from the relevant listing authority and possibly the SEC, there could be a serious impact to share price as investors become concerned at the delay in filing.'

also provided with an easy-to-read electronic calendar containing all deadline information.

The second component is a user-driven system that allows companies to set up any type of event and reminder. To automate the process, key compliance areas are incorporated into the system: license and permits; international compliance; revenue and taxation; jurisdictional filings; and boardroom compliance. Users can then augment these categories with any customized categories such as charitable or SEC filings. This customizable calendar can track down to the municipal or county level, and can also track international filings and events. This will become an increasingly important feature as

corporate compliance continues to evolve abroad, particularly in Europe, Quimby notes.

Compliance Calendar is fully web-based rather than simply web-enabled, Quimby adds. This means that the system offers universal access, portability and greater efficiency when sharing data. Quimby notes that because a web-based system provides access to an unlimited user community, a 'gatekeeper', generally the corporate secretary, is assigned to manage the data and control access to the system. Access hierarchies can be established so that 'only those people who need to get information are getting it,' Quimby says, which protects sensitive information while at the same time streamlining the process.

### *Keep an eye on the big picture*

However, an effective calendaring system is just one piece of the puzzle, Quimby points out. 'A company should take an overarching approach and see this as one part of a comprehensive compliance and entity management solution,' he says.

To that end, CSC has developed RecordsCenter, a complete platform containing the critical entity information companies use to oversee and manage their business. The system provides a centralized repository to store officer and director, stock, ownership and other critical corporate data while allowing real-time monitoring of the status of all entities within a client portfolio.

Like Compliance Calendar, the entity management platform is fully web-based. In addition to the advantages of universal access and portability, the fact that it's web-based means that critical company data is stored off-site, providing an extra level of

security as well as protection from disasters such as fire and floods, Quimby notes.

### *Dealing with Sox*

CSC has enhanced an additional component of RecordsCenter in order to address the filing and accountability issues that have arisen from Sarbanes-Oxley. The component, Virtual Boardroom, gives companies a forum for disseminating boardroom activity such as meeting times and agendas. The application even allows for electronic tracking of attendance, providing the necessary documentation that shows a quorum. 'It is really only since Sarbanes-Oxley that the need for board members and directors to utilize technology has gained acceptance,' Quimby observes. 'As a result, the products and services that are available continue to evolve. We are confident that the web-based application is the direction that most boards want to take.'

One of the notable features of the Virtual Boardroom is its use as a compilation

tool for the corporate secretary. The application allows a corporate secretary to compile, arrange and update an entire range of boardroom documents in a secure web-based environment, and then notify all the relevant membership that agenda and board-book documents are available. 'This is a real paradigm shift, because it does away with the need to compile and mail massive amounts of document packets and papers, and then resending them every time there is a change,' Quimby says. 'This function alone translates into major cost and time-savings for the corporate secretary in particular.'

RecordsCenter, with its Compliance Calendar and Virtual Boardroom applications, will free corporate secretaries from the drudgery of filing tasks and from the fear of missed deadlines, allowing them to be more effective and active members of their corporate communities. 'It's time for corporate secretaries to stop staring at spreadsheets and start feeling like they are an active part of the process again,' says Quimby.

### FOR MORE INFORMATION

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