

## Compliance Readiness – Legal Service Providers

# New Compliance Tools For The Corporate Secretary

The Editor interviews **Thomas Charno**, Product Manager, Corporate Compliance & Governance; and **Christopher Quimby**, Senior Product Manager, Corporation Service Company (CSC).

**Editor:** Would you give us an overview of the products that CSC offers for companies to manage their compliance and corporate governance responsibilities?

**Quimby:** CSC offers a suite of compliance solutions for companies to manage their corporate governance responsibilities. This extends beyond our core competencies in the area of registered agent services by providing a fully integrated system that allows users to manage their business and address corporate governance concerns while safely securing critical corporate documents. These include CSC RecordsCenter™ which is our entity management system, CSC Compliance Calendar™ for annual reports and other filings, electronic filing of annual reports and CSC Virtual Boardroom™ which will be discussed in more detail.

The cornerstone of our compliance product suite is CSC RecordsCenter™ which is a centralized database that can be accessed by an unlimited number of authorized users from anywhere in the world. This system has evolved into a robust and highly competitive entity management system. We offer a centralized database that is updated in real-time from our registered agent and transaction services such as entity type, charter amendments, mergers or dissolutions, and other core corporate transactions so that clients can drive a myriad of compliance actions. CSC Compliance Calendar™ allows clients to track and manage filing deadlines for annual reports, franchise taxes, and related filings for all of their entities. This ensures that companies will comply with filing requirements and remain in good standing in the jurisdictions in which they are located and in which they operate.

Our compliance calendar system can also be customized to send alerts for specific events such as nonprofit filings and SEC or regulatory filings. The calendar was incorporated into CSC RecordsCenter™ so that clients will have a centralized repository that ties these filing events into a company's corporate entity data.

In response to client needs, we have added other tools as part of our compliance solution. For instance, we have created a repository for minute books and other key corporate documents that assist in a company's data recovery programs. CSC Compliance Calendar™ also allows clients to create additional compliance events such as applications for licenses and permits, events relating to international compliance or any other customized compliance reminders that they may need.

**Editor:** Describe CSC Virtual Boardroom™.

**Charno:** CSC Virtual Boardroom™ was developed as a tool to enable corporate secretaries to move away from paper

boardroom packages to an electronic system that is more reliable and secure. It offers a web-based solution for managing documents and communications related to corporate board meetings. The need for corporate boards to meet compliance requirements combined with the capabilities and security that CSC Virtual Boardroom™ offers provides an incentive to corporate secretaries to make the leap to electronic board management.

CSC Virtual Boardroom™ allows board and committee members to access documents that are needed for upcoming meetings. When the corporate secretary schedules a meeting and uploads pertinent documents, board members can be automatically notified and directed to the meeting workspace to review the materials associated with the scheduled meeting. Each member can then access the workspace from anywhere in the world and view the documents through our secure portal.

**Editor:** What are the benefits of Virtual Boardroom for a company seeking to manage its compliance requirements?

**Charno:** CSC Virtual Boardroom™ eliminates the need to print and mail documents to each board member without knowing if they will receive the information before the meeting. It serves as a stand-alone module that allows corporate secretaries to create independent workspaces for the board of directors and for individual committees associated with the board. As with all CSC® compliance products, the boardroom is integrated with CSC RecordsCenter™ such that a boardroom administrator can assign pre-established officers and directors to the board and committee rooms as necessary.

The system is capable of sending e-mail messages to each member at their various email addresses. There is a feature that enables the corporate secretary to determine whether members have opened posted documents prior to a scheduled meeting as required by some organizations.

The benefits when compared to mailing documents are tremendous. For one thing, if a board member has several mailing addresses, the corporate secretary either sends a package to each address or assumes that the member will be at a pre-defined address where information is sent. Even then, it is difficult to determine if information has been received prior to the meeting. By directing the members to our secure web portal, a company's confidential information will not be mistakenly delivered into the wrong hands.

**Editor:** How are emails used to keep board members informed?

**Charno:** In our boardroom application email is utilized to notify the board members of upcoming board or committee meetings and to call them to the workspaces where pertinent information has been posted to prepare them for meetings. This includes the posting of last-minute documents or updates to documents. The use of this tool ensures that

every board member has the opportunity to view the latest version of documents prior to, or during, a meeting. This can be a godsend for the corporate secretary because he or she has a complete record of everything sent to each board member, including verification that documents have been opened by the necessary individuals.

**Editor:** How does this service facilitate compliance with Sarbanes-Oxley?

**Charno:** Sarbanes-Oxley requires board members to be proactive and informed in their decision-making. By using both CSC RecordsCenter™ and CSC Virtual Boardroom™ activities relevant to documenting these requirements such as when members have accessed information and when they have attended meetings, are captured in a central location.

**Editor:** What security features does the system offer?

**Quimby:** The tool has the capability to guarantee that a member can only access the committee rooms he or she belongs to. So if there are ten board members and only four of them are on the audit committee, only those four members will have access to the audit committee room. In addition, CSC Virtual Boardroom™ enables the administrator to limit what members or users can view and thereby restrict access to specific workspaces or documents.

**Editor:** Are there other services that you plan to offer to address the growing compliance needs of your clients?

**Quimby:** Yes. One example is an audit committee checklist based on the responsibilities of audit committees as outlined in the Sarbanes-Oxley Act.

**Charno:** The audit committee checklist mentioned by Chris is just one example of enhancements that will make their way into CSC Virtual Boardroom™. The majority of companies are just now reducing their reliance on paper documents for boardroom management so we introduced the functionality most critical to corporate board and committee meetings. We did not want to overwhelm users with a multitude of features that will get little or no use. However, we are conscious of the desire for additional features and intend to build more compliance driven functions into our systems as clients become more comfortable with the virtual boardroom technology.

**Quimby:** As far as compliance and Sarbanes-Oxley are concerned, we are now adding a Section 16 filing module within CSC RecordsCenter™ which will allow our clients to file SEC Forms 3, 4, and 5 directly. This is an example of the logical growth pattern we follow, which involves adding needed compliance tools within one centralized repository.



**Virtual Board Meetings?**

Keeping your board members informed via the web is more than just scheduling meetings through email. That's why there's CSC Virtual Boardroom™ - a new Compliance and Governance solution from CSC. Those responsible for corporate governance and the broad transparency requirements of Sarbanes-Oxley will now have access to a private and secure on-line workspace to support your corporate board and committee meetings. With CSC, your corporate entity information is already integrated into the boardroom so it's ready when you are. *Now that's reality!*

Access your boardroom anytime, anywhere in the world, with CSC Virtual Boardroom™!

Call: 888-250-6172 | Email: recordscenter@cscinfo.com | Visit: www.virtualboardroom.com

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