



Social Media Policy

WHETHER YOU ARE A “DIGITAL NATIVE” OR A “DIGITAL MIGRANT,” THE CREATION OF A SOCIAL MEDIA POLICY CAN BE HELPFUL FOR FAMILIES AND FAMILY-OWNED BUSINESSES TO CLARIFY WHAT IS – OR IS NOT – ACCEPTABLE ONLINE BEHAVIOR.

Developing a Social Media Policy

When creating formal policies with families, whether around social media or other topics, we usually follow a prescribed outline of questions, denoted as the “P” list, where we discuss the People, Purpose, Process, Protocols, Product and Penalties of a particular policy and how these considerations should be incorporated into a formal policy. When committing a policy into a formal, written document, we believe that policies are more effective when they are example rich. We encourage families to define their “hard and fast” rules, identify what are requested behaviors and what are mandated actions, then provide clear guidelines for people to follow. Not everyone is an attorney and it is better to avoid any chance for disagreement over how to follow the policy created.

If we were to apply this framework in the context of a social media policy, the outline for the discussion might unfold as follows:

PEOPLE: Who is involved in the policy or discussion? Why are they there and how do they interact? As the social media policy will impact the entire family, and the family business, it is important to include IT advisors as necessary.

PURPOSE: What is the genesis for the policy? Sometimes policies can be preventative in nature, others have a specific forward looking purpose in mind. Often in a social media arena, the purpose of the policy is to control the content and manage the brand reputation. There may be ancillary issues to consider as well, such as cybersecurity and identity theft.

PRODUCT: When setting out the “meat” of the policy, consider whether there are written or unwritten codes of conduct for the family that need to be reflected in the policy? For a social media policy, this might mean delegating oversight to the parents for minor children vs. having the Family Office intercede to police social media use.

PENALTIES: Actions have consequences and policies need to clearly lay out when a failure to comply with the policy will lead to penalties and what those penalties may be. Clear communication on a failure to comply is important but so is making the “punishment fit the crime,” as some breaches may be minimal while others can have significant ramifications for the family’s physical and cybersecurity.

Sample Policy

While every family will differ in the needs they are seeking to address or the behavior that needs to be encouraged, the sample policy below, together with the questions and approach outlined above, may be helpful in shaping your own social media policy. Families with sensitive information may wish to bolster their cyber-security initiatives and

supplement a social media policy with additional education. Families seeking to use social media for education and community building may wish to explore multiple platforms to support these initiatives and should adapt their social media policies to encourage, not discourage, online collaboration and communication.

Sample Policy

I. INTENTION: *The purpose of this social media policy is to protect the interests of the family and of FAMCO while permitting individuals to enjoy the benefits of our internet connected society. We recognize that our family members are eager to use social media applications such as Facebook, Instagram, Twitter or Snapchat to share their lives with each other and that, as a family, we realize a significant communication advantage by relying on e-mail and text messages to share information. At the same time, we realize that the information we share may be confidential in nature and we also are aware of our responsibility as shareholders and stewards of our family legacy to maintain the brand we have worked so hard to build, particularly with respect to our corporate image of FAMCO. We owe a duty to our employees, our communities and ourselves to live up to the ideals we espouse for both our corporate and family values and to reflect these values in our on-line lives as well as our “real world” experiences.*

II. SCOPE: *This policy is intended to apply to all family members, whether direct shareholders or merely indirect beneficiaries of an ownership interest in FAMCO, our family business. We expect our advisors to receive a copy of protocols that apply to their interaction with the family and to comply with these obligations. (We define “Advisors” to refer to both internal to the family office, which is subject to its own operational protocols and external attorneys, accountants, consultants and other advisors). The Family Office will provide copies of an external policy and protocols for advisors upon request.*

III. REQUIREMENTS FOR ALL FAMILY MEMBERS: *All Family Members are expected to adhere to the following guidelines for their electronic and social media activities. Questions or requests for support should be directed to the Family Office.*

A. Corporate information: *All corporate information, including reports, financials and notices of meetings, will be posted to our shared family website. Family members may download information from this site to a local computer, tablet or handheld device only if proper encryption and password protection is applied. Physical copies of the information may be printed if the printed materials are maintained in a secure location. The Company will pay for the shipment of materials to and from family meetings. We request, where possible, that the family consider the environmental impact of printing materials. Physical copies of materials disseminated at family gatherings will be collected and shipped directly to your home or shredded by the Company. We expect that any physical copies transported outside of a family gathering or office (e.g., you want to print and bring materials from home rather than ask for them to be printed for you and delivered at the meeting by the Company) must be kept in your personal possession at all times, in your purse, briefcase or in your carry-on luggage and not left in hotel rooms or rental cars unattended.*

B. Electronic Communication: *The Family Office has contracted with SecureSafe to create a dedicated family website and email address and expect all family members and trustees to use this system. The Family Office maintains copies of all documentation behind its secure firewalls and will post to the family system, in a secure document “vault” pertinent information for each family member and will upload common documents to this site for reference as well.*

We further expect all advisors to be notified that they must use this email and communication system to communicate on matters relating to corporate business, including estate planning for individual family members, and will assist in providing advisors with secure access to relevant corporate or family documents as needed. While we recognize that family members wish to use personal emails, we expect that all company or family related communications will be conducted on the dedicated email and through these servers. Further, we have provided all family members with Virtual Personal Networks (VPNs) and expect these to be used for any communication outside your home computer networks or the internal Company Wi-Fi (when you are at corporate meetings). We have also provided each family member with sufficient licenses to protect all computers and handheld devices from cyber attacks. We have implemented a multi-stage authentication process to access company information and expect, where possible, family to have the same authentication protocols on these computers. Family members may rely on dedicated resources within the Family Office and the Company to assist in the implementation of the software or authentication protocols as needed.

C. Passwords: *Family members are expected to maintain secure passwords (over 10 characters in length, including a combination of upper and lower case letters, numbers and special characters) on all company-related communication and all computers or handheld devices that may contain company-related information or have access to company-related materials. We will institute procedures that mandate the updating of passwords at least quarterly for the Family website, document vaults and related sites. We recommend that all family members consider changing all of their passwords for personal sites (particularly anything that relates to their financial or other confidential information) at least quarterly as well.*

D. Social Media: *Family members are encouraged to use the dedicated social media platforms created by the Family Office for communication on family or Company related matters. Recognizing that family members will want to use their personal accounts for some information, we request that the following protocols be followed:*

E. Logos: *Images (photos) of family members wearing corporate logos will not be posted or shared if the setting or behavior is deemed to be inappropriate or inconsistent with our family values. This includes pictures where alcohol is in the picture or where the family members are not modestly dressed. For example, posing with a Company logo or product while wearing a swimsuit, bare chested or in otherwise compromising situations is expressly forbidden. Parents are expected to supervise their children and activities to ensure that pictures are not posted by friends that show anything that could be considered detrimental to the family values or our corporate brand.*

F. Travel: *Family members will not post their travel plans, photos or locations on any public sites and on any commercial social media platforms (vacation photos may be posted after returning home). This applies to personal as well as corporate related travel. In accordance with our security policy, family members traveling outside the Country will also notify the Family Office of their travel plans.*

G. Privacy Restrictions: *Unless on the Family-dedicated sites, family members must use the maximum privacy screens allowed (e.g., on Facebook, your information is limited to Friends only, not to friends of friends, etc.) and will routinely review their external social media profiles to ensure compliance with privacy restrictions.*

IV. PENALTIES FOR NON-COMPLIANCE: *We have created this policy because we believe that the use of electronic communications and social media presents both opportunities and risks for the family. We recognize that the use of electronic communication and social media is evolving and that we may have a situation which was not contemplated by the family in the development of this policy. We also recognize that there are situations that are better addressed within an individual family unit and that parents will be most effective in determining when and how their children are able to access family media. Accordingly, we will leave penalties to the family unit except for repeated abuses or instances where corporate information is inappropriately shared. As the corporate financial or other information is limited to adult shareholders and trustees only, we believe these individuals are capable of following protocols and we have established sufficient support infrastructure that there should not be a breach of information or our security systems. If a shareholder, for example, is found to have left confidential information in a place where it could be (or has been) seen by a non-family member, the Family Council may impose appropriate sanctions, including monetary penalties, sufficient to address the breach. Likewise, if a breach of the family communications can be traced to the failure of a specific shareholder or advisor to comply with these procedures, we believe that sanctions should be imposed. We believe this to be a critical issue for the security of our company and that compliance with these protocols is a fulfillment of the duty we owe to our employees and public shareholders. As such, we believe that these monetary penalties can be severe if the breach is severe.*

Conclusion

Creating and updating any family policy can be time-consuming and sometimes frustrating. Families run the risk of “over-legislating” by creating too many policies but, if structured appropriately, with sufficient support for the policy and its implementation, the clarity of communication and expectations for behavior can help the family advance its overall goals and support adherence to espoused values. For further information on policies and their creation and best use, please feel free to contact us at admin@wealthaven.com.

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