

ANNUAL LEGAL REVIEW

Performing annual legal reviews are a crucial component of running a successful business, and reviewing specific areas per quarter can really help you focus and ensure an organized, effective review of your business. Legal reviews provide an opportunity to reassess and realign your business operations with current laws and regulations, thus ensuring legal compliance and mitigating potential risks. From evaluating corporate governance documents and employment contracts, to reviewing vendor agreements and data privacy practices, these comprehensive assessments cover every aspect of your business.

This document we prepared is intended to serve as a summary and starting point for understanding the breadth of issues that you may want to cover in a quarterly legal review. It is not a substitute for legal advice. If you would like guidance on a more comprehensive legal review or other legal guidance, please reach out to Hackler Flynn & Associates or your preferred legal counsel.

Q1 - Employees

- Onboarding & Term Agreements
- Employee Handbook/Policies
- Temp Agency Agreements
- Discrimination and Harassment Laws
- Leave Policies
- Performance Reviews

Q2 - Vendors

- Vendor Contracts
- Licensing
- Procurement Process
- Intellectual Property
- Data Protection and Privacy

Q3 - Customers

- Customer Agreements
- Customer Protection Laws
- Accessibility Laws
- Dispute Resolution

Q4 - Corporate

- Corporate Structure
- Injury & Illness Prevention Program
- Agreements
- Insurance Coverage
- Leases
- Website Terms & Conditions
- Visitor Login Documents

Q1 - Employees

- **Onboarding & Term Agreements:** It's important to make sure all employment contracts clearly define terms of employment, job duties, salary, benefits, and termination conditions. New employees should also be classified correctly to avoid any wage disputes, as well as be notified of certain notices at the time of hire including pay rates and paydays. Minimum wage payment should also be in compliance with any raises required by your state and local laws.
- **Employee Handbook/Policies:** Employee handbooks and company policies should be up to date with current labor law requirements. This includes clear policies on harassment, discrimination, leave policies, overtime, and workplace safety.
- **Temp Agency Agreements:** If your business utilizes temporary or contract workers through an agency, review the agreements in place with these agencies. Ensure they cover areas such as liability, worker's compensation, nondiscrimination, and other relevant legal matters.
- **Discrimination and Harassment Laws:** Your company must comply with laws that protect employees from discrimination and harassment, such as sexual harassment prevention training being completed by employees every two years.
- **Leave Policies:** Verify that your leave policies meet the minimum standards set by laws such as the Family and Medical Leave Act (FMLA) and California Family Rights Act (CFRA).
- **Performance Reviews:** For annual reviews, make sure these are scheduled, completed, and well documented.

Q2 - Vendors

- **Vendor Contracts:** Review all existing contracts with vendors to ensure that they legally protect the interests of the business. These contracts should clearly state the terms of service, payment terms, termination conditions, and include clauses that protect the business such as indemnity clauses, limitation of liability, confidentiality, and dispute resolution.
- **Licensing:** Confirm that vendors have all necessary licenses and certifications to legally provide their services.
- **Procurement Process:** Assess the company's procurement process to ensure that it complies with any applicable regulations and is fair, transparent, and free from conflicts of interest.
- **Intellectual Property:** If vendors have access to your company's intellectual property (IP), ensure that there are appropriate measures in place to protect it. This could include Vendor Onboarding SOP, Non-disclosure Agreements (NDAs), or other contractual measures.
- **Data Protection and Privacy:** If vendors handle personal data on your company's behalf, ensure that they comply with all applicable data protection and privacy laws such as GDPR or CCPA. Contracts with vendors should include data processing agreements (DPAs) that specify how personal data should be handled.

Q3 - Customers

- **Customer Agreements:** Review all types of contracts and agreements with customers, including MSA and NDA. These should clearly outline the rights and responsibilities of both parties, payment terms, termination conditions, and also include clauses for dispute resolution, limitation of liability, and other protective measures.
- **Customer Protection Laws:** Review your policies and practices to ensure compliance with applicable consumer protection laws, including indemnity provisions. Other examples include warranty obligations, advertising and sales practices, and customer complaints handling process.
- **Accessibility Laws:** If applicable, make sure your business is accessible to all customers, including those with disabilities, in accordance with the Americans with Disabilities Act (ADA) or any equivalent law in your jurisdiction.
- **Dispute Resolution:** It's important to have clear processes in place for resolving customer disputes. This includes understanding relevant laws and having a clear, easily accessible process for customers to make complaints and get resolution.

Q4 - Corporate

- **Corporate Structure:** Ensure that corporate documents are in compliance with all applicable laws and are complete, up to date, and reflect the business's current operational structure and practices.
- **Injury & Illness Prevention Program:** Every employer is required to have an effective IIPP, which includes methods for identifying and fixing workplace hazards, training for employees, and procedures for reporting and investigating workplace accidents and injuries. Regularly review this to ensure it's compliant and effective.
- **Agreements:** Review any shareholder and contractual agreements to ensure they are legally sound and align with the company's best interests, as well as to identify any potential risks or liabilities.
- **Insurance Coverage:** Review all business insurance policies for adequacy and completeness of coverage. This includes liability insurance, workers' compensation insurance, property insurance, professional liability insurance, and any other types of insurance the company may need given its industry and risk factors.
- **Leases:** Ensure all leases (both real estate and equipment) are compliant and clearly define all rights and obligations of each party. Any clauses on rent increases, maintenance responsibilities, damage, and dispute resolution should be clearly detailed.
- **Website Terms & Conditions:** The website's terms and conditions should be reviewed for compliance with consumer protection laws, privacy laws, and other relevant regulations.
- **Visitor Login Documents:** If your company requires visitors to sign-in for security or confidentiality reasons, it's important that these procedures and documents comply with privacy laws. Only necessary information should be documented and it should be clear how this information will be used and stored.

DISCLAIMER: Please use caution when using this summary. We do not intend the information above to be legal advice or replace consultation with counsel. By providing this information, we are not acting as your lawyer. If you need legal advice you are welcome to contact us or we recommend that you speak to your legal counsel before relying on this information. Hackler Flynn & Associates is only licensed to practice in California.