

# Sarbanes-Oxley

## Compliance through Yardi Software and Yardi ASP Hosting

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## WHAT IS SARBANES-OXLEY?

The Sarbanes-Oxley Act was signed into law on July 30, 2002, and introduced highly significant legislation affecting corporate governance, financial disclosure, and the practice of public accounting. The act introduced stringent new rules with the stated objective: "To protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws". To that end, the Sarbanes-Oxley Act established a public company accounting oversight board tasked with addressing auditor independence, corporate responsibility, enhanced financial disclosures, analyst conflicts of interest, commission resources and authority, studies and reports, corporate and criminal fraud accountability, white collar crime penalty enhancements, corporate tax returns, and corporate fraud and accountability.

## YARDI SYSTEMS AND SARBANES-OXLEY

Yardi Systems has implemented multiple processes to ensure the integrity of client data. Many of these processes aid clients in fulfilling the primary stated objective of the Sarbanes-Oxley Act. In order to address Sarbanes-Oxley in both client-hosted and Yardi-hosted (ASP) environments, we instituted controls both at the application level and the ASP hosting level.

### Client-Hosted Deployment Option

A critical component of Sarbanes-Oxley compliance is internal controls. To that end, our products feature complete client control over menu set up and user security. Clients have the ability to institute control levels that apply to their business needs.

- All menu items are securable by user.
- Our software features the optional ability to track every insert/update/delete to the database via the TRACKS table
- Our software has advanced login controls including: complex passwords, periodic password refresh, and connection drops after a client-defined number of unsuccessful login attempts.
- Our software includes the following Sarbanes-Oxley report:
  - ▶ User Add/Modify Report [monitors user changes]
  - ▶ Menu Level Permission Report [displays menu level security]
  - ▶ Login Attempt Report [monitors login attempts (success/failure)]
  - ▶ User Monitor Report [monitors user activity (login/logout)]

**Yardi-Hosted (ASP) Deployment Option**

Every Yardi ASP-hosted data center has, at a minimum, the following controls in place to provide site security:

- On-premises security personnel
- Continuous video surveillance
- Screening of all persons entering/exiting the premises
- Additional internal Yardi controls available to Sarbanes-Oxley-obligated clients include:
  - Biometric screening to enter/exit Yardi ASP Data Centers
  - Written client approval required to implement any change to the client production environment
  - Monthly meetings between the client and Yardi ASP Hosting to review server performance in handling client data, as well as ongoing/future client needs
  - Stringent controls governing user access to client data
  - Segregation of Yardi ASP personnel job functions to ensure data integrity
  - Yearly SAS 70 Type II Service Auditor's Report
  - Co-location of client data at a SAS 70 Type II-audited facility

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