

Why It's Time to Move Beyond Spreadsheets for Shareholder and Bondholder Recordkeeping

For many organizations, spreadsheets were the natural starting point for managing shareholder and bondholder records. They're familiar, inexpensive, and easy to create. But what began as a simple solution can become an operational risk as your organization expands.

Whether you're a transfer agent, financial institution, corporate issuer, or private company, maintaining accurate ownership records is critical. Every transfer, issuance, redemption, dividend payment, interest payment, and ownership update must be documented accurately and securely. As the number of security holders grows, spreadsheets simply don't support these responsibilities efficiently.

The Hidden Cost of Spreadsheet Management

At first glance, spreadsheets appear to save money. In reality, they often create hidden costs and risk exposures that accumulate slowly until a trigger event occurs.

Issues/Costs:

- Manual data entry increases the likelihood of human error. A single incorrect formula or accidental deletion can affect thousands of records without being immediately detected.
- Multiple versions of the same spreadsheet circulate through email, making it difficult to determine which file contains the most current information.
- As staff members change roles or retire, institutional knowledge often leaves with them. New employees inherit complex spreadsheets that may contain years of undocumented formulas, macros, and workarounds.

Result:

More time spent verifying data instead of serving clients and investors.



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Accuracy Is More Than a Nice-to-Have

Ownership records represent legal and financial obligations. Maintaining accurate records is essential for:

- Tracking ownership changes
- Processing transfers
- Managing certificate activity
- Recording issuances and redemptions
- Calculating interest or dividend payments
- Producing reports for management and auditors
- Responding to regulatory or compliance requests

Purpose-built recordkeeping software helps ensure information remains consistent across the organization. Instead of relying on manual calculations and disconnected spreadsheets, transactions are validated, recorded, and preserved within a centralized database.

Improved Security and Internal Controls

Spreadsheets provide limited protection against unauthorized changes. Files can be copied, emailed, downloaded, or accidentally overwritten with little visibility.

Dedicated recordkeeping software provides significantly stronger safeguards, including:

- User-based access permissions
- Role-specific user controls
- Complete audit trail
- Transaction history
- Automatic backups
- Centralized data management

These features provide greater accountability while helping satisfy internal governance and compliance expectations.



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Better Reporting Supports Better Decisions

Executives, auditors, and clients frequently request information with little notice. When records are maintained in spreadsheets, generating reports often requires manually combining data from multiple files.

A comprehensive recordkeeping system allows users to generate current and historical reports on-demand, giving management immediate visibility into ownership information and transaction activity.

Preparing For Growth

Businesses do not become less complex over time. As shareholder bases expand, bond & stock issuances increase, or transaction volumes grow, spreadsheet-based processes become increasingly difficult to maintain.

Purpose-built software scales alongside your organization without requiring a lengthy redesign of existing processes. New accounts, securities, transactions, and users can be managed within the same environment.

Conclusion

Spreadsheets remain handy analytical tools, but they are not the foundation for mission-critical shareholder or bondholder recordkeeping.

Investing in specialized recordkeeping software isn't only to replace Excel, it's more about reducing operational risk, improving accuracy, increasing efficiency, strengthening security, and providing the confidence that your records will remain accurate as your organization grows.

When ownership records matter (and they always do!) a dedicated recordkeeping platform provides the reliability, control, and long-term value that spreadsheets simply cannot match.



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