Social Media Policies and Procedures for Financial Institutions

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Regardless if your marketing department specifically decides to utilize social media, it encompasses a very broad spectrum of employee online activity, all of which is track-able and traceable to your financial institution. Social networks such as Facebook and MySpace; professional networks such as LinkedIn and Legal OnRamp; the live-blogging tool, Twitter; and social bookmarking tools such as Digg and Delicious continue to evolve and expand every day providing new opportunities to build your financial institutions virtual footprint. At the same time, they could be providing additional opportunities to negatively impact your brand and reputation.

While the risk of employees badly representing the Institution have always been prevalent, the advent of social media has significantly increased the risk of this occurring. People are utilizing these tools with very little education of the damage they can do to both your and their reputation. The overwhelming issues to date are people not using the same carefulness and consideration that they use when communicating with other channels (i.e., most people at this point understand how and how not to send emails).

Because of the uncertainly around this activity and the lack of education and awareness that occurs, it is coming more evident that your institution should set a policy or standard addressing the tools. These policies and standards need to address not only how the institution utilizes social media, but also need to educate your employees on the right and wrong ways to work with these tools. As representatives of your institution, they are an extension to your brand and it's important that they understand this now more than ever.

The following is a listing of items that should be included in your social media policies. These guidelines will help to promote proper online behavior by employees and senior management of your organization when participating online or on behalf of your financial institution. As new tools on the Web are introduced, and new challenges emerge for all of us, this listing of suggested guidelines will evolve. In particular, the policy should define:

1) Acceptable use of social media by the institution
2) Acceptable use of the institution's data network for personal and commercial social media use
3) Social media policy monitoring including:
   - Employees breaching social media policies
   - Inappropriate use of the Institutions name
   - Negative posts
4) Social media policy violation

5) Social media policy and acceptable use training including:
- Need for professionalism
- Compliance with laws and regulations
- How best to represent the institution and protect its reputation
- Appropriate communication with customers, employees, competitors, and the public through social media networks
- Limitations for disclosure of proprietary and confidential information about the institution and customers
- Limitations of personal use of blogs, website, and social networking sites
- When to transition a communication to private, one-to-one channels (e.g., direct email, telephone, etc.)
- Avoidance of controversial topics

In the event that the Institution decides to create blogs or pages within social media sites, the policy should include:

1) Compliance with applicable advertising rules and regulations
2) User access requirements including:
   - Ensure that employees have unique user accounts
   - Passwords are adequate and changed periodically
   - A user audit trail be considered to insure compliance with stated organizational policies and procedures
3) Methods to monitor social media sites
4) Documented incident response procedures in the event that social media is utilized inappropriately
5) Formal processes on what is approved to be posted including text, pictures, etc.,
6) Ensuring that privacy settings are adequate and reflect the overall controls in place by the institution.
7) Ensuring that customers/members understand they are not to send confidential information within social media sites that may compromise the integrity or contradict the intent of the financial institutions business philosophy or oversight and control practices.