Items Needed to Calculate FAS 123R Expense
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☐ Itemization of outstanding, unvested options (if the transition rules require)

☐ Mechanics of the option grant
  ☐ Date of grant
  ☐ Quantity
  ☐ Strike or exercise price
  ☐ Stock price at grant (e.g., fair market value, +10% premium)
  ☐ Vesting provisions (e.g., 5% per quarter over 5 years)
  ☐ Any performance hurdles or exercise restrictions
  ☐ Term of the option (e.g., 10 years)

☐ An estimate or estimate range of expected (going forward) volatility. Note that this can be easily calculated for a traded company.

☐ If the Black-Scholes will be used, an assumption for the average expected life of the grant (this can and should be based on historical experience, if available)

☐ If the binomial model will be used, an assumption concerning the average exercise trigger for the options (based on historical experience, if possible)

☐ Expected (going-forward) dividend policy on the underlying stock.

☐ If the stock is not traded (i.e., if there is not a listed value of the stock), the valuation mechanism

☐ If the company does not have a trading history—or if historical volatility is deemed not representative of future volatility—a specific market index. Please note that a broad index such as the S&P 500 is not sufficient; the index must be more specific to the company and its industry (and, if appropriate, its size).

☐ If an index is not appropriate, a list of publicly-traded peers (i.e., for purposes of estimating a proxy volatility)

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