Exit & Offboarding Procedure

SOP · US · Updated 2026-07-13 · Square brackets are placeholders to replace with your own details.

An exit and offboarding procedure is the written sequence a company follows when an employee leaves — from the moment a resignation lands (or a termination is decided) through the last paycheck: acknowledging the departure, transferring knowledge, recovering equipment and access, handling final pay and benefits correctly, and closing out the record.

Offboarding is where quiet, expensive mistakes live: the account nobody disabled, the final paycheck cut on the normal cycle in a state that requires faster payment, the benefits notice nobody triggered. None of these failures announces itself on the day — which is why the sequence is written down and signed off, not remembered.

This procedure covers resignation handling, the notice period, final pay and benefits with the state-law checks flagged, last-day asset and access recovery, the exit interview, and the records that close the file.

Purpose and scope

This procedure sets out how [Your company] handles every employee departure — resignation, termination, layoff, or end of contract — from notification to closed file. It applies to all employees and to every manager, and to [HR/payroll/IT] as the functions that execute it.

Every departure gets an offboarding checklist opened in [system] on day one of the process, with each step signed off by its owner. Involuntary departures follow this same procedure from the "final pay and benefits" stage onward; layoffs additionally follow the layoff / reduction in force policy.

Roles and responsibilities

- Manager: acknowledges the resignation, plans knowledge transfer, runs the last-day handover, and completes the manager items on the checklist.
- [HR/name/role]: owns the checklist end to end, confirms the state final-pay rules for this employee, schedules the exit interview, and closes the file.
- [Payroll/name/role]: calculates final wages including [accrued PTO where owed], schedules the final check to meet the state deadline, and triggers the benefits notifications.
- [IT/name/role]: inventories issued equipment and access on day one of the process and executes the last-day access shutdown in sequence.

On receiving a resignation

1. Acknowledge the resignation in writing the same day: confirm the last day of work, the notice period, and thank them — the acknowledgment is the record that starts every clock.
2. Open the offboarding checklist in [system] and notify [HR, payroll, and IT] the same day; late notification is the root cause of most offboarding failures.
3.

Decide with [HR] whether the employee works the notice period or finishes earlier — [pay obligations for a notice period cut short vary with state law and what the employee was promised].

4. If a retention conversation is warranted, have it within [number] days — after that, treat the departure as final and focus on a clean exit.

During the notice period

- The employee and manager build a handover document: open work, statuses, contacts, passwords held (moved into [password manager/system], never handed over on paper), and where everything lives.
- Each open responsibility gets a named owner before the last day — "the team will absorb it" is how client emails go unanswered for a month.
- The manager announces the departure per [communication plan] once the employee has been consulted on timing and framing.
- [IT] reviews the employee's access [reducing especially sensitive access where appropriate], and inventories issued equipment against the asset register.
- [HR] schedules the exit interview and last-day logistics, and confirms a post-employment mailing address for the final pay statement and tax documents such as the W-2.

Final pay and benefits

- Confirm the final-paycheck deadline for the employee's work state before scheduling the last day — timing varies by state, some states require payment as early as the last day of work, and resignation and termination rules often differ; getting this wrong carries penalties in many states.
- Calculate final wages: hours through the last day, [overtime, commissions, bonuses earned under their plan terms], and accrued unused PTO [where state law or the PTO policy requires payout].
- Process final [expense reimbursements] on the same timeline as final wages.
- Notify the group health plan administrator promptly so required continuation-coverage election notices go out — see DOL COBRA guidance; state mini-COBRA rules may apply to smaller plans.
- Provide [any state-required separation notices — several states require written notice of unemployment insurance rights or separation information; check your state] and information on [retirement plan options].
- Deductions from the final check for unreturned equipment are made only [where lawful in the employee's state and agreed in writing] — state wage laws restrict this; check before deducting.

Last day — asset and access recovery

1. Collect all company property against the issued-equipment inventory: [laptop, phone, badge, keys, cards, tools, uniforms] — every line signed off, not "we think it all came back."
2. Disable accounts in the agreed sequence at [time]: single sign-on first, then [email, VPN, cloud apps, code repositories, payment and banking systems], coordinated with the employee's final hours so they are not locked out mid-handover.

3. Rotate any shared credentials the employee knew and transfer ownership of [files, distribution lists, integrations, on-call rotations] to named successors.
4. Set [email forwarding or an auto-reply per policy] and remove the employee from [directory, org chart, building access, emergency contact trees].
5. Walk the employee out properly: return of personal belongings, final-pay information in hand, benefits paperwork explained, and a named contact for anything that surfaces later.

Exit interview

1. Offer every departing employee an exit interview with [HR / a neutral party — not their direct manager], in their final week; participation is voluntary, and the invitation says so.
2. Use the standard question set — reasons for leaving, management, workload, pay and benefits, what would have kept them, anything the company should know — so answers are comparable across departures.
3. Record themes in [system] and report patterns to [leadership] [quarterly] in aggregate; anything alleging harassment, discrimination, or safety issues is escalated to [HR/role] immediately, not left in a survey file.

Records and review

The completed checklist, resignation and acknowledgment letters, handover document, equipment sign-offs, final-pay calculation, benefits notices, and exit interview record are filed in [system/location] and retained for [period] — payroll and tax records have their own retention rules; see DOL and IRS guidance.

This procedure is reviewed [frequency, e.g. annually], after any offboarding failure (missed deadline, undeleted access, unreturned equipment), and when state law changes. Owner: [name/role]. Next review due: [date].

How to use this template

1. Look up the final-paycheck and PTO-payout rules for every state you employ people in, and put them in a table [HR/payroll] can read in ten seconds — the single highest-value edit to this template.
2. Build the access shutdown sequence with IT now, system by system, so last-day deprovisioning is a runbook rather than a scramble.
3. Wire the checklist into [system] with named owners per step — offboarding fails in the handoffs between HR, payroll, IT, and the manager.
4. Confirm with your benefits broker or plan administrator exactly who triggers the continuation-coverage notice and how it is evidenced.
5. Dry-run the procedure on the next friendly departure and fix what snagged before you need it for a difficult one.

Official guidance

› [DOL — Last paycheck]

- DOL — Continuation of health coverage (COBRA)
- DOL — Wage and Hour Division