ALTA’s Best Practices -- Sample Policies and Procedures

Pillar #2 – Escrow/Trust Account Controls

**INSERT LAW FIRM NAME HERE**

|  |  |
| --- | --- |
| **Policy** | **Best Practice Pillar #2: ESCROW TRUST ACCOUNTING -- Adopt and maintain appropriate written procedures and controls for Escrow Trust Accounts allowing for** [**electronic**](http://www.alta.org/news/news.cfm?newsID=19172) **verification of reconciliation.** |
| **Name of Procedure** | ***Escrow Trust Account Controls, Authorizations, Reconciliations and Training***[***NOTE: This procedure is stricter than the ALTA Procedure for Pillar #1 because of NC state law requirements under N.C.G.S. 58-26-1(a) and Chapter 84 requiring independence of law firms from title insurance agencies.]*** |
| **Reference Number** | 2.01 Escrow Trust Account Controls |
| **Applicable Parties** | Practice Manager Trust Account Manager(s)Attorney(s) with transactions in the Trust Account (herein Attorneys)Employee(s) with access to client fundsReconciler(s) / Reconciliation Service / BookkeeperCertified Public Accountant (CPA)[Third Party Service Provider – attach addendum] |
| **Effective Date** | Highlight this text, then type effective date here |
| **Supporting Documentation** | Add to, delete and/or modify the sample text below to describe documentation that evidences your firm’s compliance with this best practice. Delete the preceding sentence and this one before finalizing.Electronic Controls and Procedures File (list of contents)For each Trust Account:* signature cards
* bank account agreements
* written authorizations for signatories on wire transfers

Monthly reconciliation report, including:* statements
* checks
* the report on results of the 3-way reconciliation
* documentation of follow up for resolution of any open issues

Attached Addenda |
| **Procedures** | Add to, delete and/or modify the sample text below to describe the procedure followed by your firm to assure compliance with this best practice. Delete the preceding sentence and this one before finalizing.**2.01 Escrow Account Controls*****The Trust Account Manager shall be responsible for the following***:1. Regularly, at least quarterly, review and assure compliance of the Law Firm with all of the North Carolina State Bar Audit Checklist and Rule 1.15 *et seq.* of the Revised Rules of Professional Conduct.

Any violations, such as commingling with operating funds or checks or wires by unauthorized Employee or not in appropriate written form, will be addressed immediately to prevent future occurrences.1. Assure that all electronic files (in sections 2.01 – 2.04 below) are maintained in a secure Controls and Procedures file for external audit and to prevent tampering by personnel.
2. Create and maintain a list of all Trust Accounts, including confirming:
* bank name (federally insured as verified with FDIC or NCUA as applicable)
* branch address
* account number
* titled as “trust account”
* IOLTA verification
* contact person at bank
* List of Authorized Signatories, including designations of who is the account owner
* List of Employees authorized to initiate and/or to approve wire requests
* Positive Pay or Reverse Positive Pay
* ACH blocks
* International wire blocks
* Business-sized checks; auxiliary on us field
* Whether “open” or “closed” (and closed date)
* Security of any electronic signatures or stamps
1. Maintain an electronic file of all:
* signature cards
* bank account agreements
* written authorizations for signatories on wire transfers
1. Retain, review and monitor Reconciler, [outside service\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ or internal Employee \_\_\_\_\_\_\_\_\_\_\_] to assure segregation of authority and that all transactions are reviewed by the Reconciler not involved in the transaction and who does not have signing authority for the trust account involved.
2. Document conversation(s) and image all written correspondence and authorizations into escrow file or Controls and Procedures file.
3. Maintain check stock in a secured lockbox, order new checks as needed and verify all information including sequential check numbers.

The Trust Account Manager is not a signatory on and does not have authority to initiate a wire transfer for the account being managed.A separate independent computer is maintained solely for trust account on-line banking. |
| **Approved by / Date** | Highlight this text, then type name of person approving here | Highlight this text, then enter date of approval here |

|  |  |
| --- | --- |
| **Policy** | **Best Practice Pillar #2: ESCROW TRUST ACCOUNTING -- Adopt and maintain appropriate written procedures and controls for Escrow Trust Accounts allowing for** [**electronic**](http://www.alta.org/news/news.cfm?newsID=19172) **verification of reconciliation.** |
| **Name of Procedure** | ***Escrow Trust Account Controls, Authorizations, Reconciliations and Training***[***NOTE: This procedure is stricter than the ALTA Procedure for Pillar #1 because of NC state law requirements under N.C.G.S. 58-26-1(a) and Chapter 84 requiring independence of law firms from title insurance agencies.]*** |
| **Reference Number** | 2.02 Escrow Account Authorizations |
| **Applicable Parties** | Practice Manager Trust Account Manager(s)Attorney(s) with transactions in the Trust Account (herein Attorneys)Employee(s) with access to client fundsReconciler(s) / Reconciliation Service / BookkeeperCertified Public Accountant (CPA)[Third Party Service Provider – attach addendum] |
| **Effective Date** | Highlight this text, then type effective date here |
| **Supporting Documentation** | Add to, delete and/or modify the sample text below to describe documentation that evidences your firm’s compliance with this best practice. Delete the preceding sentence and this one before finalizing.Electronic Controls and Procedures File (list of contents)For each Trust Account:* signature cards
* bank account agreements
* written authorizations for signatories on wire transfers

Monthly reconciliation report, including:* statements
* checks
* the report on results of the 3-way reconciliation
* documentation of follow up for resolution of any open issues

Attached Addenda |
| **Procedures** | Add to, delete and/or modify the sample text below to describe the procedure followed by your firm to assure compliance with this best practice. Delete the preceding sentence and this one before finalizing.**2.02 Escrow Account Authorizations**Create and maintain a list (electronic) of all personnel with access to client funds, including:* The Employee’s specific authority, the date each is established, changed or terminated and date of notification in writing to each particular bank (checks, wires, reconciliation, requesting and/or confirming same)
* Date of delivery to and explanation of the Firm’s written policies and procedures regarding trust accounting to any Employees with access to client funds
* Dates and type of training provided, ongoing, regarding each Employee’s responsibilities with regard to the Trust Account
* Dates and results of all background checks (at least 5 years’ report) which must be obtained:
* At hiring and
* Every 3 years
* Dates and type of any violations or errors of the Employee with regard to their responsibilities with regard to the Trust Account
* Verification of notification of all banks in the event of termination of the Employee, voluntarily or involuntarily.

Immediately on termination of any Employee or change of job responsibilities removing Trust Account authority, the Trust Account Manager shall notify banks and remove the Employee from signatory authority *in writing*, including obtaining updated signature cards, if necessary*.*  |
| **Approved by / Date** | Highlight this text, then type name of person approving here | Highlight this text, then enter date of approval here |

|  |  |
| --- | --- |
| **Policy** | **Best Practice Pillar #2: ESCROW TRUST ACCOUNTING -- Adopt and maintain appropriate written procedures and controls for Escrow Trust Accounts allowing for** [**electronic**](http://www.alta.org/news/news.cfm?newsID=19172) **verification of reconciliation.** |
| **Name of Procedure** | ***Escrow Trust Account Controls, Authorizations, Reconciliations and Training***[***NOTE: This procedure is stricter than the ALTA Procedure for Pillar #1 because of NC state law requirements under N.C.G.S. 58-26-1(a) and Chapter 84 requiring independence of law firms from title insurance agencies.]*** |
| **Reference Number** | 2.03 Account Reconciliations |
| **Applicable Parties** | Practice Manager Trust Account Manager(s)Attorney(s) with transactions in the Trust Account (herein Attorneys)Employee(s) with access to client fundsReconciler(s) / Reconciliation Service / BookkeeperCertified Public Accountant (CPA)[Third Party Service Provider – attach addendum] |
| **Effective Date** | Highlight this text, then type effective date here |
| **Supporting Documentation** | Add to, delete and/or modify the sample text below to describe documentation that evidences your firm’s compliance with this best practice. Delete the preceding sentence and this one before finalizing.Electronic Controls and Procedures File (list of contents)For each Trust Account:* signature cards
* bank account agreements
* written authorizations for signatories on wire transfers

Monthly reconciliation report, including:* statements
* checks
* the report on results of the 3-way reconciliation
* documentation of follow up for resolution of any open issues

Attached Addenda |
| **Procedures** | Add to, delete and/or modify the sample text below to describe the procedure followed by your firm to assure compliance with this best practice. Delete the preceding sentence and this one before finalizing.**2.03 Account Reconciliations**The Attorney shall, at the time of any transaction involving the client’s ledger, do a receipts and disbursements balance of that ledger, including the date, amount, payee/payer, and description of each item for any receipt or disbursement on the transaction. The Attorney shall assure compliance with the Settlement Statement and RESPA.The Trust Account Manager shall balance receipts and disbursements daily.The Trust Account Manager shall maintain a sequential list of all checks – whether voided, outstanding or cleared.The Trust Account Manager shall assure that:* All checks and deposits include information identifying the client and transaction to which related
* All service charges, wiring and other fees for management of the account not paid directly for a particular transaction are paid using operating account funds, not trust account funds.
* All checks are properly signed and wires are properly initiated and approved by authorized parties, within the authority level of the individual, and in compliance with the attached Addendum and the bank’s signature cards and written authorizations

Outstanding file balances must be documented by the Attorney, and records retained in the electronic Trust Account files, including appropriate escrow agreements.The Trust Account Manager shall assure that as soon as the bank statement is received on each Trust Account each month, that:* Current monthly 3-way reconciliation is initiated and completed within 10 days of receipt of bank statement
* Report is distributed to Attorneys as soon as possible upon receipt
* Electronic versions are maintained for all:
* statements
* checks
* the report on results of the 3-way reconciliation
* follow up for resolution of any open issues
* The Attorneys actively review the reconciliation and acknowledge in writing
* The Attorneys actively resolve any outstanding matters, including:
* assuring all outstanding checks are appropriately applied for payments immediately, especially mortgage payoffs and obtaining final title insurance policies
* any imbalances on a particular closing / client ledger are immediately addressed to cover shortages and apply overages as required by the State Bar rules
* personal conferences, monitoring or, if necessary, disciplinary action for any violations by any Attorneys, Employees or outside providers violating the rules and authorities regarding the Trust Account
* patterns of canceled and reissued checks
* Significant Items must be addressed immediately, especially those which have appeared in prior months’ reconciliations, such as outstanding:
	+ - deposits over 5 days old and incoming wires over 2 days old not yet credited by bank (of any amount)
		- items over $10,000
		- recording fees over 30 days old
		- mortgage payoff checks over 10 days past issuance
		- mortgage payoff wires of any amount or age
		- hazard insurance premiums over 30 days old
		- property taxes over 30 days old
		- title insurance premiums over 30 days old
		- any items over 180 days old
 |
| **Approved by / Date** | Highlight this text, then type name of person approving here | Highlight this text, then enter date of approval here |

|  |  |
| --- | --- |
| **Policy** | **Best Practice Pillar #2: ESCROW TRUST ACCOUNTING -- Adopt and maintain appropriate written procedures and controls for Escrow Trust Accounts allowing for** [**electronic**](http://www.alta.org/news/news.cfm?newsID=19172) **verification of reconciliation.** |
| **Name of Procedure** | ***Escrow Trust Account Controls, Authorizations, Reconciliations and Training***[***NOTE: This procedure is stricter than the ALTA Procedure for Pillar #1 because of NC state law requirements under N.C.G.S. 58-26-1(a) and Chapter 84 requiring independence of law firms from title insurance agencies.]*** |
| **Reference Number** | 2.04 Training |
| **Applicable Parties** | Practice Manager Trust Account Manager(s)Attorney(s) with transactions in the Trust Account (herein Attorneys)Employee(s) with access to client fundsReconciler(s) / Reconciliation Service / BookkeeperCertified Public Accountant (CPA)[Third Party Service Provider – attach addendum] |
| **Effective Date** | Highlight this text, then type effective date here |
| **Supporting Documentation** | Add to, delete and/or modify the sample text below to describe documentation that evidences your firm’s compliance with this best practice. Delete the preceding sentence and this one before finalizing.Electronic Controls and Procedures File (list of contents)For each Trust Account:* signature cards
* bank account agreements
* written authorizations for signatories on wire transfers

Monthly reconciliation report, including:* statements
* checks
* the report on results of the 3-way reconciliation
* documentation of follow up for resolution of any open issues

Attached Addenda |
| **Procedures** | Add to, delete and/or modify the sample text below to describe the procedure followed by your firm to assure compliance with this best practice. Delete the preceding sentence and this one before finalizing.**2.04 Training**The Trust Account Manager shall at time of hiring and thereafter regularly (at least annually) provide or obtain training and instruction for all Employees or outside providers (including CPAs or bookkeepers) providing services regarding the Trust Account to assure that they understand the above requirements for maintaining the Trust Account, as well as fraud detection and prevention and trust accounting procedures. The Trust Account Manager shall maintain this record in an electronic file.All Employees providing services regarding the Trust Account are required to review and agree in writing to comply with the Policies and Procedures. |
| **Approved by / Date** | Highlight this text, then type name of person approving here | Highlight this text, then enter date of approval here |

# ALTA BEST PRACTICE Pillar #2 - ADDENDUM

**NORTH CAROLINA STATE BAR AUDIT CHECKLIST**

|  |
| --- |
| **Rule 1.15-1 Definitions** |
|  | (1) | Does the trust account contain only the funds of a client(s) for whom a lawyer is engaged to perform or is performing a legal service? Please note the exceptions permitted in Rule 1.15-2(f ). |
|  | (2) | Is a "dedicated trust account" (a special interest bearing trust account) maintained solely for the benefit of a single client or a specific transaction? |
|  | (3) | Is the term "general trust account" used to denote trust accounts other than dedicated trust accounts? |
|  | (4) | Is a "fiduciary account" designated as such and maintained solely for the deposit of fiduciary funds or other entrusted property of a particular person or entity (i.e., an estate, guardianship, power of attorney, trust, or escrow)? |
|  | (5) | Is the financial institution where the trust accounts are maintained a bank or savings and loan association chartered under North Carolina or federal law? |
| **Rule 1.15-2 General Rules** |
| ***Safekeeping*** |
|  | (1) | Is entrusted property (i.e., trust and fiduciary funds, and other property) identified, held, and maintained separate from the property of the lawyer? |
|  | (2) | Are all trust funds promptly deposited in a general or dedicated trust account? |
|  | (3) | Are all general trust accounts established as IOLTA accounts, from which interest is remitted to NC IOLTA at the State Bar? |
|  | (4) | Are all fiduciary funds promptly deposited in a fiduciary or general trust account? |
|  | (5) | Is all entrusted property not otherwise deposited in a trust or fiduciary account (e.g. stock certificates) promptly identified and labeled as property of the person or entity for whom it is held? |
|  | (6) | Is entrusted property (other than money) in a safe deposit box or other suitable place of safekeeping? |
|  | (7) | Is the location of the entrusted property disclosed to the client or other person for whom it is held? |
|  | (8) | Is the safe deposit box or other place of safekeeping located in North Carolina? |
|  | (9) | If not, has the client or other person for whom the entrusted property is held given written authorization to maintain the property outside North Carolina? |
|  | (10) | If a dedicated trust account is maintained at a bank outside the state or in a financial institution other than a bank in or outside North Carolina, has the client provided a written consent to do so? |
| ***Deposits and Disbursements*** |
|  | (1) | Are only client funds deposited in the trust account, except lawyer funds sufficient to open or service the account or funds belonging in part to a client, third party, or lawyer? |
|  | (2) | When funds belonging in part to the lawyer and in part to the client (e.g., a client check for legal fees and court costs) are received, are the funds deposited intact into the trust account? |
|  | (3) | Are checks for legal fees or expenses that are drawn on a trust or fiduciary account and made payable to the lawyer entered as disbursements on the client's ledger card? |
|  | (4) | Are all items drawn on a trust or fiduciary account made payable to a specific person or entity and not cash or bearer? |
|  | (5) | Is entrusted property used to obtain credit or other personal benefit only for the legal or beneficial owner of the entrusted property? |
| ***Notifications*** |
|  | (1) | Has a bank directive been filed with the bank where a trust or fiduciary account is maintained (see Section VIII)? |
|  | (2) | Is the client promptly notified of the receipt of any entrusted property belonging in whole or in part to the client |
| **Miscellaneous** |
|  | (1) | Is entrusted property belonging to the client and to which a client is entitled paid or delivered promptly to the client or to third persons as directed by the client? |
|  | (2) | Does the lawyer hold any entrusted property or title to property as security for the payment of any fees or other obligations to the lawyer (e.g., deeds of trusts or liens)? |
|  | (3) | If so, is the property clearly identified as property held as security and not as a completed transfer of ownership to the lawyer? |
|  | (4) | Has the lawyer promptly reported to the North Carolina State Bar any knowledge or reasonable belief that entrusted property has been misappropriated or misapplied? |
|  | (5) | Has all interest earned on a trust or fiduciary account been paid to the client or other person or entity entitled to the principal or to the State Bar IOLTA program as required by Rule 1.15-2 and Rule .1316 (see Section XII)?  |
|  | (6) | Has the lawyer complied with the requirements of Chapter 116B concerning the escheating of abandoned/unidentified property? |
| **Rule 1.15-3 Records & Accounting** |
|  | (1) | Are the checks for all general trust accounts, dedicated trust accounts, and fiduciary accounts business-sized and do they contain an Auxiliary On-Us field in the MICR line? Rule 1.15-3(a). |
|  | (2) | Do bank receipts or deposit slips list source and date of deposit? For deposits to the general trust account, do bank receipts or deposit slips also list the name of the client or other person to whom the funds belong and source of funds if other than personal? |
|  | (3) | If records of canceled checks are furnished by the bank in digital image or CD-Rom format, do the digital images or CD-Roms satisfy the requirements of Rule 1.15-3(b)(2)(A)?* Do they show amount, date, and payee, and, for the general trust account, do they show the client balance against which the item is drawn?
* Is the lawyer/firm using business checks that contain an Auxiliary On-Us field?
* Is the digital image a legible reproduction of front and back of the original item and not smaller than 1 3/16 × 3 inches?
* Does the bank maintain, for at least six years, the ability to reproduce electronically additional or enlarged images within a reasonable time?
* Is the lawyer retaining these records for the required six year period?
 |
|  | (4) | Are all instructions or authorizations to transfer, disburse, or withdraw funds from the trust account including electronic or written transfer records retained? |
|  | (5) | Are all bank statements and other documents received from the bank regarding the trust account, including any notices of insufficient funds, retained?  |
|  | (6) | For the general trust account, is a ledger containing a record of receipts and disbursements for each person or entity from whom or for whom funds are received maintained? Does this ledger show the current and accurate balance of funds held in the trust account for each person or entity? |
|  | (7) | Are depository receipts or deposit slips for all deposited funds retained and do the receipts list the source and date of receipt? |
|  | (8) | Are all statements and other documents received from the depository bank regarding the account, including notices of insufficient funds, retained? |
|  | (9) | Are general trust accounts reconciled at least quarterly in the following manner: the individual client balances shown on the ledgers are totaled and reconciled with the current bank statement balance for the trust account as a whole? |
|  | (10) | Are general trust accounts reconciled monthly in the following manner: the balance of the trust account as shown on the lawyer's record is reconciled with the current bank statement balance for the trust account? |
|  | (11) | Are written accountings provided to the client upon the final disbursement of funds (i.e, when the balance reaches zero), when reasonably requested by client, and at least annually if funds are retained more than 12 months? |
|  | (12) | If not required by law, is a written accounting of fiduciary funds and other entrusted property rendered to the beneficial owners or representatives at least annually and upon termination of lawyers' professional fiduciary service? |
|  | (13) | Are complete and accurate records of all entrusted property received by the lawyer retained for six years from last transaction to which the record pertains? |

# ALTA BEST PRACTICE Pillar #2 - ADDENDUM

# Escrow/Trust Account Controls

|  |  |
| --- | --- |
| **Trust Account Manager** | Identified below for each Trust Account |
| **Person Responsible for Plan Maintenance:** | Trust Account Manager |
| **Location of Electronic Controls and Procedures File** |  |
| **Access to Electronic Controls and Procedures File Limited to:** |  |

|  |
| --- |
| **TRUST ACCOUNT 1** |
| **Full Name of Trust Account:****(includes “escrow” or “trust” account in name)** |  |
| Date Account Opened: |  |
| Account #: |  |
| Bank Name: |  |
| Confirm Bank is FDIC Insured: (Yes/No)Bank: <http://research.fdic.gov/bankfind/>Credit Union: <http://researchcu.ncua.gov/views/findcreditunions.aspx> |  |
| Contact Person at Bank: |  |
| Contact Person’s Phone #: |  |
| Contact Person’s Email Address: |  |
| Confirm account is an IOLTA? (Yes/No) |  |
| Confirm no Firm funds commingled with client funds in this Trust Account: (Yes/No)  |  |
| Confirm Positive Pay and/or Reverse Pay Required: (Yes/No) |  |
| Confirm International Wire Blocks without additional authorization: (Yes/No) |  |
| Confirm Automated Clearing House (ACH) Blocks: (Yes/No) |  |
| Name(s) of Authorized Check Signatories & Authority Level: |  |
|  |
|  |
|  |
|  |
| Description of Number of Signatures Required on Checks and any Additional Signatory Requirements: |  |
| Name(s) of Authorized Wire Initiators & Authority Level: |  |
|  |
|  |
|  |
|  |
| Name(s) of Wire Approvers & Authority Level: |  |
|  |
|  |
|  |
|  |
| Description of Number of Approvals and Approval Level required to Initiate Outgoing Wire: |  |
| Three-Way Account Reconciliation performed at least monthly by:(Reconciler does not possess check signing or wire initiation or approval authority) |  |
| Account is Active or Inactive? (If Inactive, include date account closed). |  |
| Trust Account Manager: |  |
| Date Next Review Due of Trust Account Information above: |  |
| Next Review Date Tickler Added to Trust Account Manager’s Calendar: (Insert Yes when added) |  |
| Comments: |  |
| **Review/Revision History for Trust Account 1:**Each time the above information pertinent to this Trust Account is:* Reviewed for accuracy and no changes made, enter the date of the review, the person doing the review and a brief description such as “Reviewed by \_\_\_\_\_\_\_\_\_\_\_\_. No revisions needed.”
* Reviewed for accuracy and revision(s) made, enter the date of the revision(s), the name of the person making the revision(s), and a detailed description of the change(s) such as “Reviewed by Sally Doe. John Wilson added as authorized signatory for checks and Alicia Parker removed as authorized signatory for checks.”
 |
| Date of Review/Revision | Person Reviewing/Revising | Description |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

|  |
| --- |
| **TRUST ACCOUNT 2** |
| **Full Name of Trust Account:****(includes “escrow” or “trust” account in name)** |  |
| Date Account Opened: |  |
| Account #: |  |
| Bank Name: |  |
| Confirm Bank is FDIC Insured: (Yes/No)Bank: <http://research.fdic.gov/bankfind/>Credit Union: <http://researchcu.ncua.gov/views/findcreditunions.aspx> |  |
| Contact Person at Bank: |  |
| Contact Person’s Phone #: |  |
| Contact Person’s Email Address: |  |
| Confirm account is an IOLTA? (Yes/No) |  |
| Confirm no Firm funds commingled with client funds in this Trust Account: (Yes/No)  |  |
| Confirm Positive Pay and/or Reverse Pay Required: (Yes/No) |  |
| Confirm International Wire Blocks without additional authorization: (Yes/No) |  |
| Confirm Automated Clearing House (ACH) Blocks: (Yes/No) |  |
| Name(s) of Authorized Check Signatories & Authority Level: |  |
|  |
|  |
|  |
|  |
| Description of Number of Signatures Required on Checks and any Additional Signatory Requirements: |  |
| Name(s) of Authorized Wire Initiators & Authority Level: |  |
|  |
|  |
|  |
|  |
| Name(s) of Wire Approvers & Authority Level: |  |
|  |
|  |
|  |
|  |
| Description of Number of Approvals and Approval Level required to Initiate Outgoing Wire: |  |
| Three-Way Account Reconciliation performed at least monthly by:(Reconciler does not possess check signing or wire initiation or approval authority) |  |
| Account is Active or Inactive? (If Inactive, include date account closed). |  |
| Trust Account Manager: |  |
| Date Next Review Due of Trust Account Information above: |  |
| Next Review Date Tickler Added to Trust Account Manager’s Calendar: (Insert Yes when added) |  |
| Comments: |  |
| **Review/Revision History for Escrow Trust Accounting Policies and Procedures:**Each time the above information pertinent to these Policies and Procedures is:* Reviewed for accuracy and no changes made, enter the date of the review, the person doing the review and a brief description such as “Reviewed by \_\_\_\_\_\_\_\_\_\_\_\_. No revisions needed.”
* Reviewed for accuracy and revision(s) made, enter the date of the revision(s), the name of the person making the revision(s), and a detailed description of the change(s) such as “Reviewed by Sally Doe. John Wilson added as authorized signatory for checks and Alicia Parker removed as authorized signatory for checks.”
 |
| Date of Review/Revision | Person Reviewing/Revising | Description |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

|  |
| --- |
| **PERSONNEL WITH ACCESS TO CLIENT FUNDS (List includes those with active/current or inactive/prior access)** |
| **Name** |  |
| Date Access to Funds First Provided: |  |
| Date Copy of Policies and Procedures Delivered: |  |
| Current Status: Active or Inactive |  |
| If Inactive Current Status – Date Bank Notified Person no Longer Authorized |  |
| Date of Last Background Check: |  |
| Date Next Background Check Due: |  |
| Authorized Check Signatory? (Yes/No) |  |
| Authorized Wire Initiator? (Yes/No) |  |
| Authorized Wire Approver? (Yes/No) |  |
| Reconciler? (Yes/No) |  |
| Reviews Reconciliation? (Yes/No) |  |
| Uses signature stamp (not recommended)? (Yes/No) If Yes, indicate who has access to the stamp and where is it securely stored. |  |
| Describe initial training: |  |
| Describe additional training: |  |
| Description of any error or violations – include date of error or violation, date person was made aware of error or violation, and resolution: |  |
| Comments: |  |
|  |  |
|  |
| **Name** |  |
| Date Access to Funds First Provided: |  |
| Date Copy of Policies and Procedures Delivered: |  |
| Current Status: Active or Inactive |  |
| If Inactive Current Status – Date Bank Notified Person no Longer Authorized |  |
| Date of Last Background Check: |  |
| Date Next Background Check Due: |  |
| Authorized Check Signatory? (Yes/No) |  |
| Authorized Wire Initiator? (Yes/No) |  |
| Authorized Wire Approver? (Yes/No) |  |
| Reconciler? (Yes/No) |  |
| Reviews Reconciliation? (Yes/No) |  |
| Uses signature stamp (not recommended)? (Yes/No) If Yes, indicate who has access to the stamp and where is it securely stored. |  |
| Describe initial training: |  |
| Describe additional training: |  |
| Description of any error or violations – include date of error or violation, date person was made aware of error or violation, and resolution: |  |
| Comments: |  |
|  |  |
|  |
| **Name** |  |
| Date Access to Funds First Provided: |  |
| Date Copy of Policies and Procedures Delivered: |  |
| Current Status: Active or Inactive |  |
| If Inactive Current Status – Date Bank Notified Person no Longer Authorized |  |
| Date of Last Background Check: |  |
| Date Next Background Check Due: |  |
| Authorized Check Signatory? (Yes/No) |  |
| Authorized Wire Initiator? (Yes/No) |  |
| Authorized Wire Approver? (Yes/No) |  |
| Reconciler? (Yes/No) |  |
| Reviews Reconciliation? (Yes/No) |  |
| Uses signature stamp (not recommended)? (Yes/No) If Yes, indicate who has access to the stamp and where is it securely stored. |  |
| Describe initial training: |  |
| Describe additional training: |  |
| Description of any error or violations – include date of error or violation, date person was made aware of error or violation, and resolution: |  |
| Comments: |  |
|  |  |
|  |
| **Name** |  |
| Date Access to Funds First Provided: |  |
| Date Copy of Policies and Procedures Delivered: |  |
| Current Status: Active or Inactive |  |
| If Inactive Current Status – Date Bank Notified Person no Longer Authorized |  |
| Date of Last Background Check: |  |
| Date Next Background Check Due: |  |
| Authorized Check Signatory? (Yes/No) |  |
| Authorized Wire Initiator? (Yes/No) |  |
| Authorized Wire Approver? (Yes/No) |  |
| Reconciler? (Yes/No) |  |
| Reviews Reconciliation? (Yes/No) |  |
| Uses signature stamp (not recommended)? (Yes/No) If Yes, indicate who has access to the stamp and where is it securely stored. |  |
| Describe initial training: |  |
| Describe additional training: |  |
| Description of any error or violations – include date of error or violation, date person was made aware of error or violation, and resolution: |  |
| Comments: |  |
|  |  |
|  |
| **Name** |  |
| Date Access to Funds First Provided: |  |
| Date Copy of Policies and Procedures Delivered: |  |
| Current Status: Active or Inactive |  |
| If Inactive Current Status – Date Bank Notified Person no Longer Authorized |  |
| Date of Last Background Check: |  |
| Date Next Background Check Due: |  |
| Authorized Check Signatory? (Yes/No) |  |
| Authorized Wire Initiator? (Yes/No) |  |
| Authorized Wire Approver? (Yes/No) |  |
| Reconciler? (Yes/No) |  |
| Reviews Reconciliation? (Yes/No) |  |
| Uses signature stamp (not recommended)? (Yes/No) If Yes, indicate who has access to the stamp and where is it securely stored. |  |
| Describe initial training: |  |
| Describe additional training: |  |
| Description of any error or violations – include date of error or violation, date person was made aware of error or violation, and resolution: |  |
| Comments: |  |
|  |  |

# ALTA BEST PRACTICE 2 - ADDENDUM

# Trust Accounting

|  |  |
| --- | --- |
| **Practice Manager** | Insert Name of Practice Manager |
| **Person Responsible for Plan Maintenance:** | Practice Manager |
| **Next Review Due** | Insert Next Review Date |
| **Next Review Date Tickler Added to Practice Manager’s Calendar: (Insert Yes when added)** | State Yes when added |
| **Comments:** | Add Comments, if any |

**CLE/CPE & OTHER TRAINING ATTENDED RELATED TO TRUST ACCOUNTING:**

|  |  |  |  |
| --- | --- | --- | --- |
| Name | Course Title/Sponsor/Relevant Overview | Date |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

|  |
| --- |
| **Review/Revision History for All Personnel with Access to Client Funds:**Each time the above information pertinent to Personnel with Access to Client Funds is:* Reviewed for accuracy and no changes made, enter the date of the review, the person doing the review and a brief description such as “Reviewed by \_\_\_\_\_\_\_\_\_\_\_\_. No revisions needed.”
* Reviewed for accuracy and revision(s) made, enter the date of the revision(s), the name of the person making the revision(s), and a detailed description of the change(s) such as “Reviewed by Sally Doe. John Wilson removed as Wire Initiator and added as Wire Approver.”
 |
| Date of Review/Revision | Person Reviewing/Revising | Description |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

**ADDENDUM: THIRD PARTY SERVICE PROVIDERS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of Service ProviderPrincipalsAddress | Service Provided(Attach contract to electronic file, especially Non-disclosure agreement) | Firm Employee Responsible for Regular Review of Service Provider | Last Renewal Date | Next Renewal Date |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Review/Revision History of Relationship with Third Party Service Providers:**Each time the above information pertinent to Third Party Service Providers is:* Reviewed for accuracy and no changes made, enter the date of the review, the person doing the review and a brief description such as “Reviewed by \_\_\_\_\_\_\_\_\_\_\_\_. No revisions needed.”
* Reviewed for accuracy and revision(s) made, enter the date of the revision(s), the name of the person making the revision(s), and a detailed description of the change(s) such as “Reviewed by Sally Doe. John Wilson removed as Wire Initiator and added as Wire Approver.”
 |
| Date of Review/Revision | Person Reviewing/Revising | Description |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |