

**POLICIES & PROCEDURES
MANUAL CREATION CHECKLIST**

CHAPTER 1 – LICENSING	
What is the name of your company?	
Under what California regulatory authority do you perform escrow services (Department of Business Oversight, Bureau of Real Estate, Department of Insurance, etc.)?	
What is your license number?	
If you are licensed to perform escrows in a state or states other than California? If so, please list the states:	
CHAPTER 2 – TRUST ACCOUNTS	
Is positive pay or reverse positive pay used to protect your trust account(s)?	
Are Automatic Clearing House (“ACH”) deposits blocked on your trust account(s)?	
Are international wires blocked on your trust account(s)?	
Have you setup transactional limits whereby additional authorization is needed for initiate outgoing wires? If so, what are those amounts?	
Is management approval required for all transfers involving dormant or inactive files (files with no activity within the past 180 days)?	
Aside from the background checks performed by your regulatory agency, if any, do you perform background checks on your employees? If so, how often?	
Does your company conduct daily reconciliation of receipts and disbursements on you escrow trust account(s)?	
Does your company conduct monthly three way reconciliation of your escrow trust account(s)?	
Does your company maintain a separate account ledger with detailed descriptions of every receipt and disbursement, including date, amount, payee/payer, and description of item for each Escrow Trust Account?	

Is a reconciliation of the receipts and disbursements into and out of each Escrow Trust Account performed daily?	
Does the company segregate duties to ensure the daily reconciliation of the receipts and disbursements conducted by someone who is not the sole signatory on the account, if available?	
Are the results of the daily reconciliation of the receipts and disbursements reviewed by management in a timely manner?	
Is a Three-Way Reconciliation that reconciles the bank statement to the checkbook and Trial Balances performed at least monthly within 10 days of receiving the bank statement?	
Is the monthly Three- Way Reconciliation conducted by someone who is not a signatory on account or authorized to initiate a wire transfer?	
Are the results of the monthly Three-Way Reconciliation reviewed by management?	
Are Trial Balances, deposits in transit and outstanding checks listed on the Three-Way Reconciliation for all Escrow Trust Accounts?	
Does each Three-Way Reconciliation include a summary page showing whether the account is in balance?	
Does each Three-Way Reconciliation include a detailed list of items that need to be adjusted or corrected to bring the account in balance?	
Are deposits that are listed on the deposits in transit list as older than five (5) days researched and resolved immediately?	
Are incoming wires that are listed on the deposits in transit list as older than 2 days researched and resolved immediately?	
If the reconciliation reveals a shortage, is the shortage funded pursuant to the company's procedures within 5 days?	
Are the outstanding checks and deposits from the previous month's reconciliation checked against the current bank statement to determine whether they were cleared or remain outstanding?	
Does management periodically review cancelled checks and disbursement journals for unusual items?	

CHAPTER 3 – INFORMATION SECURITY

Do you have a clean desk policy (i.e., only one file open on a desk at a time, locking computers when leaving desk, no client files for view when unauthorized person is in office)?	
During non-business hours how are files physically secured to protect Non-public personal information? (Examples would include locked file cabinets, locked offices, security alarm, and security cameras.)	
Do you have a secure server?	
Do you have access control (passwords) at the user level (login) on your computers?	
Do you have access control on your escrow software?	
Do you have anti-virus software on your computers?	
Do you require encryption on any electronic transmission of Non-public personal information?	
How do you store closed files?	
What security is in place to make sure closed files are kept secure?	
How do you destroy old files?	
Do you have a website for your company? If so, a copy of your company's Privacy Policy should be available for review.	
If you have a website, is a copy of your company's Privacy Policy available for review? (If your answer to this question is no please consider updating your website to include this information.)	
CHAPTER 4 – SETTLEMENT PROCESSES	
Do you have a written pricing structure?	
Do you give discounts? If so, do you have a written procedure for how discounts are given?	
Do you provide estimated costs to the parties and lenders upon opening of escrow?	

CHAPTER 5 – TITLE POLICY PRODUCTION	
Do you produce title policies?	
CHAPTER 6 – INSURANCE COVERAGE	
What types of escrow transactions do you perform (real property, mobile homes, bulk sales, personal property, holding escrows, other?):	
Do you maintain professional liability (errors & omissions) insurance? If so, please provide us with a copy of the declaration page.	
Do you maintain a fidelity bond? If so, what is the coverage amount?	
Do you maintain a surety bond? If so, what is the coverage amount?	
Do you maintain cyber fraud coverage? If so, what is the coverage amount?	
Do you maintain any other forms of insurance/bonding? If so, describe type of coverage(s) and coverage amount(s)?	
CHAPTER 7 – CONSUMER COMPLAINTS	
When a complaint comes in are your employees instructed to advise management?	