



Account-Level Administrative Review Guidance

A comprehensive account review includes both an administrative and investment review. Management may choose to address both aspects in one thorough review or perform two separate and distinct reviews. Both methods are acceptable if each review, by itself, is complete in nature. Whether performed separately or together, the reviewing authority (trust committee, subcommittee, or disinterested account officer) should perform the review considering the governing instruments, applicable laws and regulations, the trustee's capacity (directed vs. discretionary) and responsibilities, and the needs of the beneficiaries.

No listing can appropriately denote every item which should be considered in an administrative account review since the reviews vary based on the institution's capacity, responsibilities, type of account, type of asset, and other circumstances. Nonetheless, the general areas noted below are illustrative of the basic areas that should receive coverage in an account-level administrative review:

- Were pre- and post-acceptance reviews performed timely and adequately documented?
- If discretionary, were the account-level investment reviews performed timely and adequately documented?
- Is the original or an authenticated copy of the governing instrument on file?
- Are synoptic records* reliable and comprehensive? Was account information accurately recorded in the trust accounting system?
- Are accounts administered and invested in conformance with management policies, governing instruments, laws, regulations, and sound fiduciary principles?
- Are the underlying assets permissible and legal investments?
- Are income and principal distributions accurate and in conformity with terms of the governing instruments and corresponding laws and regulations?
- Are commissions and fees accurate and being collected timely?
- Are tickler systems up-to-date, accurate, and monitored through management information systems?
- Are written approvals or directions of appropriate parties documented and obtained promptly?
- Are tax returns prepared and filed on time with proper remittances?
- Are account statements submitted to beneficiaries and others timely? Do account asset types and values as reported on account statements reconcile to corresponding custodial platforms?
- Is co-fiduciary approval/denial adequately documented?
- Do board and/or committee meeting minutes document the review of important matters, such as the acceptance and closing of accounts, investment reviews, and discretionary payments of principal or income?
- Are complaints by grantors, beneficiaries, plan administrators, etc. being reviewed and resolved?
- Is corrective action being taken regarding criticisms noted by internal and external auditors and regulatory authorities?

*Synoptic record examples – Account name, account number, grantor, current and future beneficiaries, administrative officer, investment officer, type of trust, date of instrument, purpose of instrument, amendments, date of amendments, provisions for income and principal distributions, investment discretion, third party consent, investment objective, co-trustees, corpus, death dates, birth dates, and any other pertinent account information.