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From: Eric Laesch [elaesch@countryinvestment.com]
Sent: Monday, March 17, 2003 3:26 PM
To: 'infocollection.comments@ots.treas.gov'
Cc: Rich Day
Subject: TFR Revisions, OMB No. 1550-0023 Shortened deadlines for TFR and HC schedules

This is in response to the proposal to shorten the deadline for filing the TFR and HC schedules with the OTS. To shorten the deadlines as proposed would create great hardship for COUNTRY Trust Bank (CTB). It is extremely doubtful that we could ever meet the proposed deadlines.

In the first place, there are usually changes to the TFR Report each quarter. The OTS is proposing additional changes not addressed in this response for the first quarter of 2003, for example. CTB's General Ledger software does not automatically provide a feed of current quarter information into the Quarterly TFR Reports. We have to manually prepare an electronic workbook that creates data entry sheets for each quarterly TFR Schedule, and then manually input those updates into the TFR Reporting Software. The updates are also reviewed and checked to ensure that no errors are present.

In addition, because CTB is not a traditional retail savings institution, our report triggers numerous reasonableness checks. These take time to track down and answer. Many reasonableness checks result when the software incorrectly calculates management fee rate quotients for selected asset bases in percentage points, instead of basis points, e.g., the quotient derived is 20%, when it is really 20 bps. One third to one half of our edit checks for the 4th quarter of 2002 were the result of this type of calculation error. There was also a problem in printing our reports this last quarter. Something happened while printing that corrupted the database. While it had not been a prior problem, it delayed our report filing by one day, because the IS Department had to retrieve the previous day's backup from offsite storage and reload the files.

Thirdly, it takes a minimum of ten business days to complete our monthly financial statements, and even more at year end. We could not meet the shortened deadline at year end. Our Accounting Department prepares additional schedules for the annual financial audit, including tax and audit workpapers for review by internal and external auditors. It also checks and prepares 1099 Forms for timely mailing to clients, as well as other federal and state tax returns, which have filing deadlines and penalties for late filing.

The information for Schedule HC comes from our parent company, COUNTRY Life Insurance Company (CLIC), each quarter. CLIC's deadline for statutory filings is 45 days after the end of the quarter. Under the current process, it would be a great challenge for CLIC to provide us the information to complete the Schedule HC within a 30-day reporting deadline. The accounting departments of both companies currently put in a considerable amount of overtime to complete the necessary daily work and fulfill regulatory

reporting requirements.

There is also the matter of coping with audits. CTB faces an average of eight audits a year, ranging from our regular year-end audit to a SAS 70 audit to an audit for the year-end of our mutual funds. The OTS also audits us. Many of these audits take place at the same time that we are trying to complete our financial statements for the quarter to be able to file our TFR and HC reports. This places an additional burden on CTB while trying to meet existing deadlines.

Finally, the technology that the OTS is relying on for CTB to supply the necessary information on a speedier basis does not always work as anticipated. System breakdowns, hardware problems, and software glitches all seem to happen most when a deadline is approaching. An example is the updates of the OTS software each quarter. When ever a system upgrade takes place, there are changes that have to be made to the electronic workbooks that prepare our data entry sheets for input into the TFR Reporting software. As mentioned above, we do not have an automatic feed into the TFR Reporting software from our General Ledger System. Any changes in the TFR Reports need to be incorporated into our electronic workbooks that prepare our manual input into the OTS TFR Reporting Software. Updating our electronic workbooks to accommodate any revisions in the TFR Reporting requires additional time, which delays final completion of the TFR and Schedule HC reports.

In conclusion, COUNTRY Trust Bank strongly opposes any reduction in time for the filing of the TFR and HC Reports. It taxes our abilities to the limit to meet the current reporting deadlines for both filings. Increasing the amount of information reported in the filings, while shortening the filing deadlines, will only provide a greater opportunity for errors. If anything is done, our suggestion would be to extend the reporting deadlines.

Thank you for listening to my opinion.

Sincerely,

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