

Reserve Requirements (Regulation D) Program

EXAMINATION OBJECTIVES

To determine that the institution has procedures in place to comply with Regulation D.

To determine that the institution is in compliance with the reporting and reserve balance requirements of the regulation.

EXAMINATION PROCEDURES

LEVEL I

WKP. REF.

1. Identify whether the institution prepares a report of deposits and submits it to the Federal Reserve Bank in its district.

2. Determine whether the institution has implemented operating procedures and a system of internal controls to ensure compliance with the reporting requirements.

3. Obtain the institution's records detailing charges incurred or instances of returned forms, indicating inadequate compliance with Regulation D. Determine whether the institution has corrected any problem areas.

4. Determine whether the institution's internal audit program provides adequate coverage to assure that the reporting requirements are monitored on a regular basis. If the institution does not have an internal audit function, a program of management reviews or self audits should include the reporting requirements.

Exam Date:	
Prepared By:	
Reviewed By:	
Docket #:	

Reserve Requirements (Regulation D) Program

WKP. REF.

5. Identify whether the institution has procedures in place to identify and monitor the monthly transaction limitations on regular passbook accounts and money market accounts to ensure that they do not exceed regulatory limits.
-

6. Review Level II procedures and perform those necessary to test, support, and present conclusions derived from performance of Level I procedures.
-

LEVEL II

1. Review the two most recent reports of deposits to determine whether the items listed are accurate and properly classified.
-

2. Perform a limited review of all line items on the report of deposits.
-

3. Perform a review and evaluation of the institution's system of internal controls for Regulation D reporting compliance. Typical internal controls include independent review and verification of forms for accuracy prior to submission and the maintenance of proper supporting documentation.
-

4. Ensure that the Objectives of this Handbook Section have been met. State your findings and conclusions, as well as appropriate recommendations for any necessary corrective measures, on the appropriate work papers and report pages.
-

Exam Date:	
Prepared By:	
Reviewed By:	
Docket #:	

Reserve Requirements (Regulation D) Program

WKP. REF.

LEVEL III

1. If substantive exceptions are noted in examination procedures 1-5, perform a detailed review of all line items on the report of deposits and reconcile the form line items with the general ledger accounts for the specific time period under review.
-

EXAMINER'S SUMMARY, RECOMMENDATIONS, AND COMMENTS

Exam Date:	
Prepared By:	
Reviewed By:	
Docket #:	