



AMERICA'S ONE

TITLE AGENCY

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Policies and Procedures

Escrow/Trust Accounting

Purpose	Document escrow/trust internal controls are in place to meet requirements for the safeguarding of client funds and to minimize the exposure to loss of client funds.
Scope	These policies and procedures are for all of America's One Title Agency (hereafter referred to as "The Company") locations including all satellite offices. These procedures are to be followed by all employees and independent contractors where applicable.
Procedures	<p>Escrow funds and operating accounts are separately maintained.</p> <p>The Company maintains <u>1 primary escrow/trust account</u> for real estate and mortgage loan transactions. If The company were to change its primary banking relationship there could be 2 escrow accounts for a period of time during transition. Escrow/trust funds The Company maintains under a fiduciary capacity are not commingled with The Company's operating funds or an employee or manager's personal account.</p> <p>Escrow/Trust Accounts Trial Balance Reports.</p> <p>A trial balance report depicting the balance of a particular customer's funds can be produced for the escrow/trust account at any time. This report depicts all individual customer file balances that do not have a zero balance. On a monthly basis, <u>Jennie N., Accounting Clerk</u> reconciles the trial balance report to the bank balance and reconciled book balance, creating a "three way" reconciliation.</p> <p>Trial balance reports are produced for each escrow/trust account maintained by The Company, including recording accounts and underwriter premium accounts, if any.</p> <p>Escrow/Trust Account Reconciliations</p> <p>It is the responsibility of <u>Jennie N., Accounting Clerk</u> to reconcile the escrow/trust accounts. Account receipts and disbursements activity are reconciled regularly (two-way). Monthly, a three-way reconciliation between the bank records, book records, and trial balance is performed. This reconciliation is completed within <u>7 days after receipt of bank statement</u>.</p> <p>A listing is kept of all escrow/trust accounts. This listing includes underwriter</p>

premiums accounts, recording accounts and dormant accounts.

Escrow/trust account reconciliations are performed by an **Jennie N., Accounting Clerk**, who does not have check signing authority or the capability/authority to perform wire transfer transactions.

Each month escrow/trust account reconciliations are reviewed by Company management and evidence of the review is documented. The escrow/trust account reconciliations are available to the title insurance underwriter at any time requested.

Escrow/trust account reconciling items are clearly noted on the reconciliations. These reconciling items are followed up and addressed by appropriate escrow/closing personnel within 2 days of completion of the reconciliation so as to not carry over on the reconciliations from month to month.

Escrow/Trust Accounts are properly labeled and maintained in insured institutions.

Escrow/trust bank accounts are appropriately designated as “escrow” or “trust” accounts. This designation is noted in the original banking agreements as well as on our check stock, deposit slips, and bank statements. Unless mandated by state regulation or directed by a customer with a signed agreement, escrow/trust accounts are maintained with insured financial institutions.

Dormant file balances.

Customer files that continue to hold funds after the settlement date are reviewed periodically to determine if any disbursements have been made. Management approval by **David Nichols, President** is required for any disbursement from an inactive escrow. An inactive escrow is defined as any escrow which has had no activity for the past six months. This approval is documented and maintained.

Banking Transactions conducted by authorized employees.

Via agreements with financial institutions, The Company management authorizes employees for escrow/trust bank account transactions. Wire transfer initiation and approval levels are set by The Company and reviewed for changes in staff routinely. Former employees are immediately deleted as signatories and authorized wire transfer individuals. A list of authorized individuals is maintained in the Escrow Account Information Report (see attached example). The individual(s) designated as the ‘wire transfer administrator’ to set-up and change online banking permissions has been authorized by management.

Authorized check signers and wire individuals do not maintain the escrow/trust accounting records or perform the escrow/trust account reconciliations.

Reverse Positive pay, ACH Blocks, and international wire blocks are used.

The “Reverse Positive Pay” feature offered by our financial institutions is used on escrow/trust accounts. **David Nichols, President** reviews the reverse positive pay exception report.

ACH blocks and international wire blocks are placed on all escrow/trust accounts to prevent unauthorized users from withdrawing funds from the escrow/trust account.

	<p>Background checks.</p> <p>Before an individual is hired, a background check (criminal and credit) is performed by our underwriter. Periodically, a background check (including criminal and credit) is performed on existing employees who have access to escrow/trust account funds.</p> <p>Escrow/trust account training</p> <p>The Company provides escrow/trust account training <u>upon hiring</u> to individuals handling customer funds and conducting escrow/trust account reconciliations. This training is conducted by <u>Escrow/Closing Personnel</u>. All training and continuing education is tracked and maintained by Department Managers and reviewed by <u>David Nichols, President</u>.</p>
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Contact Officer	<i>David Nichols, President</i>
Date Approved	<i>10/01/2013</i>
Date of Commencement	<i>10/01/2013</i>
Amendment Dates	<i>01/1/15, 05/18/17, 01/25/19, 3/2/20, 8/17/21</i>
Date for Next Review	<i>01/2023</i>
Related References and Links	<ul style="list-style-type: none"> • <i>Policies and procedures relating to escrow accounting and trust accounts are kept in our reconciliation office available to personnel requiring access/training.</i> • <i>Reference where banking agreements and wire transfer user reports are kept in a secure area in the Administrative office.</i> • <i>The Escrow Account Info is kept in a secure area in the Administrative office.</i>