PROPERTY OWNER ASSOCIATION CHECKLIST

Name of Bank: ___________________________  Bookkeeper: ___________________________

Account #
(last 4 digits): ___________________________  Signature(s) on
Account: __________________________________

Type of Account: ___________________________

Bank Account in the name of: _______________________________________________________

Computer Software Used: ___________________________  Period Examined: ___________________________

# POAs Managed: ___________

SUMMARY OF FINDINGS

Bank Reconciliations: _____ Satisfactory  _____ Deficient  _____ No Reconciliation

Note Deficiencies:

Ledger Reconciliations (Trial Balance)

Trial Balance: _____ Satisfactory  _____ Deficient  _____ No Trial Balance

Could a Trust Account Liability be Calculated?  If so, do the records indicate:

Per Broker’s Books  Auditor Calculated

Overage:  Amt: ___________________________  Amt: ___________________________

Shortage: Amt: ___________________________  Amt: ___________________________

Deficit Spending: ___________________________

Commingling: ___________________________

Other Deficiencies Noted: ___________________________

CORRECTIVE ACTIONS & RECOMMENDATIONS

Corrective Actions:

Recommendations:

Deadline for BIC to demonstrate that Corrective Actions have been instituted: ___________________________
### G.S. Section 93A-6(g) [Insured Depository Institution]

1. Is the account in a federally insured depository institution lawfully doing business in North Carolina?  
<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Non-Compliant</th>
</tr>
</thead>
</table>

Comments:

### Rule A.0116(c) [Interest Bearing Trust/Escrow Accounts]

2. Is the bank account interest-bearing?  
<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Non-Compliant</th>
</tr>
</thead>
</table>

   **(If no, skip to Question #3)**
   
   a. If yes, is there written authorization for deposit?  
      | Yes | No | Non-Compliant |
      |-----|----|---------------|
   
   b. Is the written authorization conspicuous?  
      | Yes | No | Non-Compliant |
      |-----|----|---------------|
   
   c. Does it state how/to whom interest will be disbursed?  
      | Yes | No | Non-Compliant |
      |-----|----|---------------|

3. Is the bank account a demand account?  
<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Non-Compliant</th>
</tr>
</thead>
</table>

Comments:

### Rule A.0117(b) [Trust/Escrow Account Designation on Bank Accounts]

4. Are the following designated Trust or Escrow?  
<table>
<thead>
<tr>
<th>Deposit Slips:</th>
<th>Yes</th>
<th>No</th>
<th>Non-Compliant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checks:</td>
<td>Yes</td>
<td>No</td>
<td>Non-Compliant</td>
</tr>
<tr>
<td>----------------</td>
<td>-----</td>
<td>----</td>
<td>---------------</td>
</tr>
<tr>
<td>Bank Statements:</td>
<td>Yes</td>
<td>No</td>
<td>Non-Compliant</td>
</tr>
<tr>
<td>----------------</td>
<td>-----</td>
<td>----</td>
<td>---------------</td>
</tr>
</tbody>
</table>

Comments:

### Rule A.0118 (a)(b) [Property Owner Associations]

5. Are the property owner association funds in a bank account maintained by the broker’s managing entity and exclusively for funds belonging to that property owners association?  
<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Non-Compliant</th>
</tr>
</thead>
</table>

6. Are any of the officers of the property owner association a signatory on the broker’s account?  
<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Non-Compliant</th>
</tr>
</thead>
</table>

7. Are periodic statements provided to the property owner association according to the licensee’s agreement with the association and at least every 90 days?  
<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Non-Compliant</th>
</tr>
</thead>
</table>

   **(If no, skip to Question #8)**
   
   If yes, do the periodic statements:
   
   a. Report the balance of association funds in the licensee’s possession or control?  
      | Yes | No | Non-Compliant |
      |-----|----|---------------|
   
   b. Account for the funds the licensee has received and disbursed on behalf of the association?  
      | Yes | No | Non-Compliant |
      |-----|----|---------------|

Comments:

### Rule A.0117 (c)(2) [Canceled Checks]

8. Do canceled checks identify the purpose of the disbursement?  
<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Non-Compliant</th>
</tr>
</thead>
</table>

9. Are digitally imaged copies of the canceled checks retained in lieu of canceled checks?  
<table>
<thead>
<tr>
<th>Yes</th>
<th>No</th>
<th>Non-Compliant</th>
</tr>
</thead>
</table>

   **(If no, skip to Question #10)**
   
   If yes, are the digitally imaged copies:
   
   a. Legible reproductions of the original canceled checks?  
      | Yes | No | Non-Compliant |
      |-----|----|---------------|
   
   b. The front and back of the original canceled checks?  
      | Yes | No | Non-Compliant |
      |-----|----|---------------|

Comments:

### Rule A.0117(c)(3) [Deposit Tickets]
10. Do deposit tickets or supplemental deposit worksheets for each transaction identify:
   a. Property or property interest address for which the payment is made? ☐ ☐ ☐
   b. Owner? ☐ ☐ ☐
   c. Remitter of the monies deposited? ☐ ☐ ☐
   d. Purpose of the payment of the monies deposited? ☐ ☐ ☐
   e. Do computer deposit tickets agree with bank deposit tickets? ☐ ☐ ☐

Comments:

**Rule A.0117 (c) (5) [Journal/Check Stubs]**
11. Is a trust/escrow journal or check stubs maintained? ☐ ☐ ☐
   (If no, skip to Question #12)
   a. If yes, document examined ☐ ☐ ☐
   b. Are the transactions recorded in the journal in chronological sequence? ☐ ☐ ☐
   c. Does the journal show a running balance of funds in the bank account? ☐ ☐ ☐
   d. Does the journal identify each bank deposit transaction with:
      i. The amount of the deposit? ☐ ☐ ☐
      ii. The date of the deposit? ☐ ☐ ☐
      iii. An appropriate reference to the corresponding deposit ticket? ☐ ☐ ☐
   e. Does the journal identify each bank disbursement transaction with:
      i. Amount of the disbursement? ☐ ☐ ☐
      ii. Date of the disbursement? ☐ ☐ ☐
      iii. Check number when a check is used to disburse trust funds? ☐ ☐ ☐
      iv. Payee? ☐ ☐ ☐
      v. Purpose of the disbursement? ☐ ☐ ☐

Comments:

**Rule A.0117 (c)(6) [Payment Record Sheet]**
12. Is a payment record sheet maintained for each property or interest in the property? ☐ ☐ ☐
   (If no, skip to #14)
13. Do the payment record sheets identify the:
   a. Amount of payments received? ☐ ☐ ☐
   b. Date of the receipt of the payments? ☐ ☐ ☐
   c. Remitter of the payments? ☐ ☐ ☐
   d. Purpose of the payments received? ☐ ☐ ☐
   e. Amount of the obligation for which payments are made? ☐ ☐ ☐
   f. Nature of the obligation for which payments are made? ☐ ☐ ☐
   g. Amount of any balance due or delinquency (running balances)? ☐ ☐ ☐

Comments:

**Rule A.0117 (d) [Audit Trail]**
14. Is there an audit trail from the deposit slips or supplemental deposit worksheet to the journal? ☐ ☐ ☐
15. Is there an audit trail from the deposit slips or supplemental deposit worksheet to the payment record sheets? ☐ ☐ ☐
16. Is there an audit trail from the canceled checks or supplemental disbursement worksheet to the journal? ☐ ☐ ☐

Comments:
Rule A.0117(e) [Reconciliation]
17. Are bank statements reconciled to the journal monthly? .................................................. □ □ □
   a. When was the last reconciliation prepared? __________ (date)
   b. For what month? ______________

Comments:

G.S. Section 93 A-6(a)(12) and Rule A.0116(g)
18. Is there any evidence of:
   a. Shortages (Accounts Receivable) from the management entity on the Property Owners Association general ledger? .......................................................... □ □ □
   b. Overages (Accounts Payable) to the management entity on the Property Owners Association general ledger? .......................................................... □ □ □
   c. NSF escrow checks? ........................................................................................................... □ □ □
   d. Conversion of Property Owner Association trust money to personal use? ............. □ □ □

Comments: