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:

<table>
<thead>
<tr>
<th>Per Broker’s Books</th>
<th>Auditor Calculated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overage: Amt: _______</td>
<td>Amt: _______</td>
</tr>
<tr>
<td>Shortage: Amt: _______</td>
<td>Amt: _______</td>
</tr>
<tr>
<td>Deficit Spending:</td>
<td></td>
</tr>
<tr>
<td>Commingling:</td>
<td></td>
</tr>
</tbody>
</table>

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? ........................................... □ □ □

**Comments:**

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

2. Is the bank account interest-bearing? .......................................................... □ □ □

   **(If no, skip to Question #3)**

   a. If yes, is there written authorization for deposit? .................................. □ □ □
   b. Is the written authorization conspicuous? ............................................. □ □ □
   c. Does it state how/to whom interest will be disbursed? .......................... □ □ □

3. Is the bank account a demand account? .................................................. □ □ □

**Comments:**

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

4. Are the following designated Trust or Escrow?
   a. Deposit Slips: .......................................................... □ □ □
   b. Checks: ...................................................................... □ □ □
   c. Bank Statements: ....................................................... □ □ □

**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? □ □ □

6. Are any of the officers of the property owner association a signatory on the broker’s account? .......................................................... □ □ □

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? .................................. □ □ □

   **(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? □ □ □
   b. Account for the funds the licensee has received and disbursed on behalf of the association? .......................................................... □ □ □

**Comments:**

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

8. Do canceled checks identify the purpose of the disbursement? ...................... □ □ □

9. Are digitally imaged copies of the canceled checks retained in lieu of canceled checks? □ □ □

   **(If no, skip to Question #10)**

   If yes, are the digitally imaged copies:
   a. Legible reproductions of the original canceled checks? □ □ □
   b. The front and back of the original canceled checks? □ □ □

**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: