

Broker Dealer – Compliance Elements Review

This assessment tool can be used to get a reasonable impression of the quality of the most important practices in your nonprofit. You could use results of this assessment tool to: 1) ensure a strong foundation from which to add a program or undertake a major change effort; 2) do an internal analysis as part of an overall strategic planning activity; 3) develop a common understanding among leaders regarding what needs to be done in your nonprofit; and 4) assess how your family office compares to what many family office experts suggest as standards for the industry.

Next to each specific indicator are choices, including “Met,” “Needs Work,” “Not Applicable,” and “Don’t Know.” After reading each indicator, place a check mark under the appropriate choice as to how your nonprofit performs to that indicator. This tool is not meant to be a “one-time-and-done” exercise, you business and the environment in which you work is changing daily so you need to continuously look to improve.

Area to Address	Self Assessment Comments	3 rd Party Expert Assessment	Check Up Next Steps
A. Strategic Priorities for the next twelve months			
B. Ownership & Control – Family Control, Family Leadership, Family Dynamics, Alignment of Interests			
C. Business Challenges – Business Ownership Strategy, Business Governance, Business Operations			
D. Wealth Preservation & Enhancement – Investment Goals/Objectives, Asset Diversification, Manager Selection, Investment Performance, Public Equity, Private Equity			
E. Financial Security & Compliance – Legal Exposure, Fiduciary Exposure, Wealth Transfer Protection, Physical Asset Protection, Financial Oversight, Financial Reporting/Regulatory Compliance, Family Office Oversight			
F. Family Continuity & Governance – Family Legacy, Philanthropic Legacy, Family Governance, Family reputation, Family Relationships, Personal Security & Privacy, Personal Health & Wellness, Personal Ownership Responsibilities			

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A. Strategic Priorities for the next 12 months & plan to address them (in order of importance – you should have at least four – it can't be one!)

Priority Description	Plan to Address	Evaluation During Year
1.		
2.		
3.		
4.		

B. General Supervision

Item No	Indicator	Met	Needs Work	NA	Plans to Address	Check Up Comments
	Is the BD Form up to date? Were state registrations reviewed? Were renewal payments made to the CRD on time?					
	Is the FINRA Contact/Compliant system accurate and verified within 17 days after the end of each calendar quarter?					
	Was the Compliance Manual/WSP reviewed and edited, if necessary, to ensure compliance with industry standards or any new changes in policies					

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	or procedures? Were appropriate changes made to the organizational chart and the BD Form? Were there any new officers listed on the Form BD?					
	Was any “Suspicious Activity” as described in the Bank Secrecy Act and Anti-Money Laundering Policy referred to the AMLCO and CCO? Were any SARs filed?					
	Was the compliance memo file and minutes of compliance meetings up to date?					
	Was the Continuing Education Program for the “Firm Element” conducted annually? Were the dates noted and a file maintained of who received the materials and when the training was conducted? Was a needs assessment survey performed? Was an individual written needs analysis and written plan created for this year?					
	Did all registered persons take the Continuing Education, the “Regulatory Element” within the time frame allowed, if required? Were appropriate records maintained and reviewed monthly?					

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	Before hiring any new registered persons was the CRD checked to determine Continuing Education, the “Regulatory Element” “satisfied” status?					
	Was an Annual Compliance Meeting/Review conducted for each registered person? Were each registered person’s U-4 reviewed with them for any changes or amendments? Was each person asked if they complied with the Firm’s rules regarding insider trading?					
	Was each person asked to report any kind of income-producing activity? Was all Private Securities Transactions reviewed with each registered person? Was outside business activity for registered persons reviewed and disclosed on their Form U-4? Were all U-5’s filed in a timely manner? Was a list of those U-5ed maintained? There are new and significant monetary penalties for late U-5 filings.					
	Were exception reports reviewed and maintained?					
	Did any employees receive or give to customers gifts valued at more than					

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	\$100?					
	Were the confirmations and statements of employee accounts carried by another firm reviewed by the CCO and filed properly?					
	Was the Restricted List updated and disseminated, and Watch List maintained, if applicable?					
	Were previous internal inspections and FINRA examination findings reviewed to insure that any findings have been corrected?					
	Did the CEO issue an annual certification that the Firm has policies and procedures in place to establish, maintain, review, test, and modify those policies and procedures to reasonable achieve general compliance with applicable FINRA rules and federal securities laws and regulations. A copy of this inspection shall support the “test” requirement of FINRA Rule 3013.					
	Did the firm claim the “limited size and resource” exemption in FINRA Rule 3012 on the CRD					