About: Administrative Reviews

Administrative Reviews are criteria-based to help to streamline the **Review** process.

Specific questions are asked based on the type of **Account (Trust** or **Custody),** the types of investments or specialty holdings and the types of activity in the **Account.**

The questions are configurable by the Administrator, so as business needs change, the **Administrative Review** can change accordingly at no additional cost to the client.

- **Admin Review** functionality is an integrated exception monitoring, review and approval process.
- See Appendix A for list of **Configured Admin Flags;** the **Flags/Questions** are triggered based on the **Account Type** for which they were configured.
- In implementing **Admin Reviews**, InvestEdge has implemented a one-time activity for seeding **Admin Reviews** for existing **Accounts.**
  All InvestEdge **Accounts** are setup for **Admin Reviews.**
  The **Review Date** on the InvestEdge platform will be set to the **Next Review Date** coming from the Sungard interface
- New Account Handling:
  - There is a logic that checks for any **Funds** hitting the **Account** on a nightly basis. As soon as a funding is detected based on a change in **Market Value,** regardless of amount, the **Account** will be regarded as funded.
  - When the new **Account** is funded (based on the logic above), the **Initial Admin Review** will be created and **Review Due Date** will be set to 60 days from the funding date.
  - Once the **Initial Admin Review** is complete, the next **Admin Review Date** will be set to 365 days after the initial account funding date.
- Types of Reviews & Review Periods
  - **Initial Review** – 60 days; questions for **Initial Review** can be different
  - **Annual Review** – 365 days
- Definitions
  - **Flags** – Represent configurations that have been setup for monitoring **Accounts** on a nightly basis; tailored to **Account Type**
  - **Triggered Flags**- A **Flag** is triggered when the condition is found to exist in an **Account** – a **Triggered Flag** exists as long as the condition exists
- Administrative Review Process
  - **Active, Submitted, Approved** (or **Rejected)**
  - In order for a **Review** to be submitted all **Flags** have to be in a **Reviewed** or **Reviewed, Follow up Next Cycle** status.
  - If the **Review** is rejected, it will behave as the account's **Active Review.**
- After submitting a **Review**, a review document PDF is created automatically which serves as the record for the **Review** and is kept historically. The PDF document can be configured to display specific desired reports.

Administrative Review Process

Finding Admin Reviews

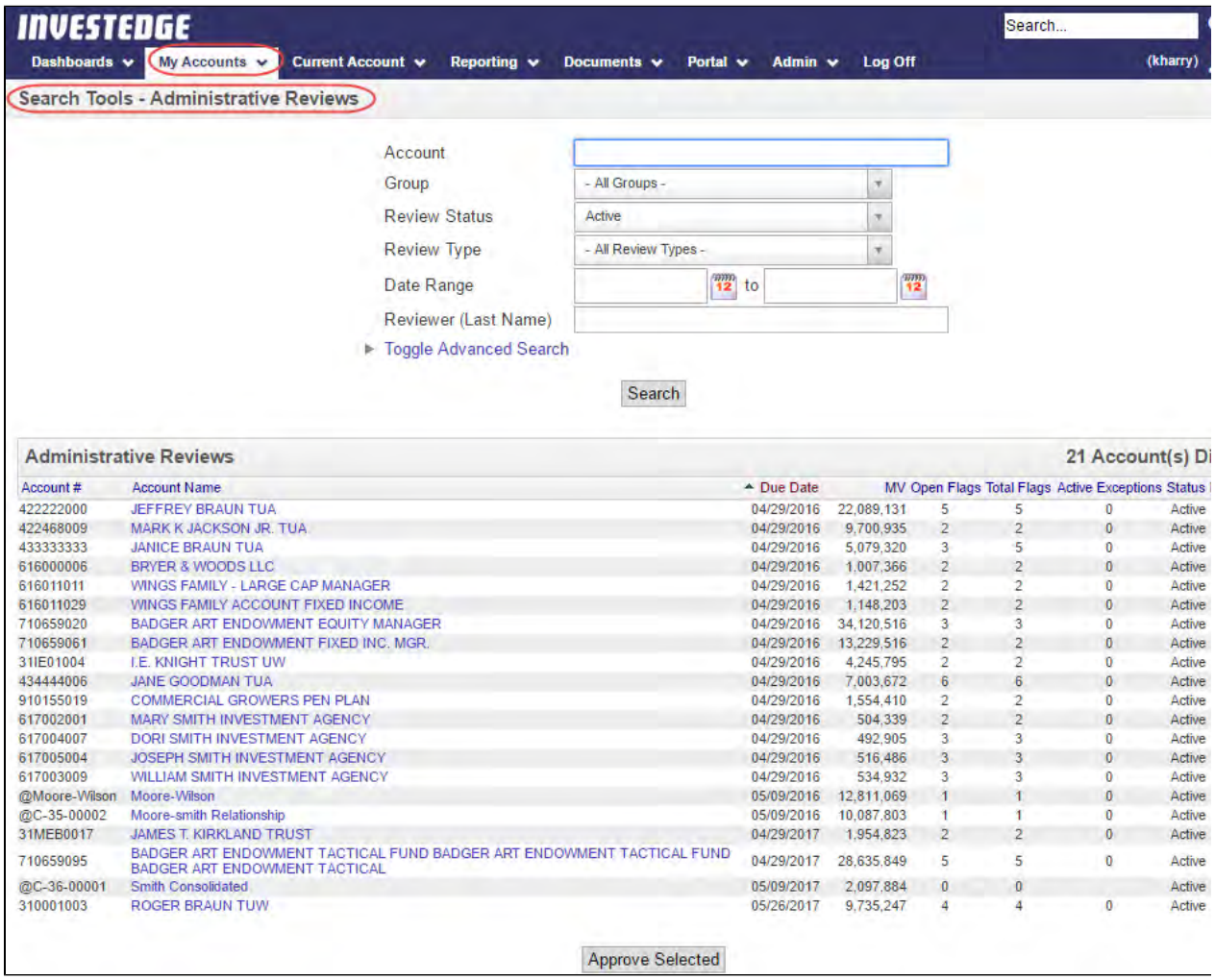
Admin Review Search screen

On the **Search Tools>Administrative Reviews Users** can search by several search criteria including **Group, SMA** and **Review Type**.

For more detailed search options, click the **Toggle Advanced Search** link.

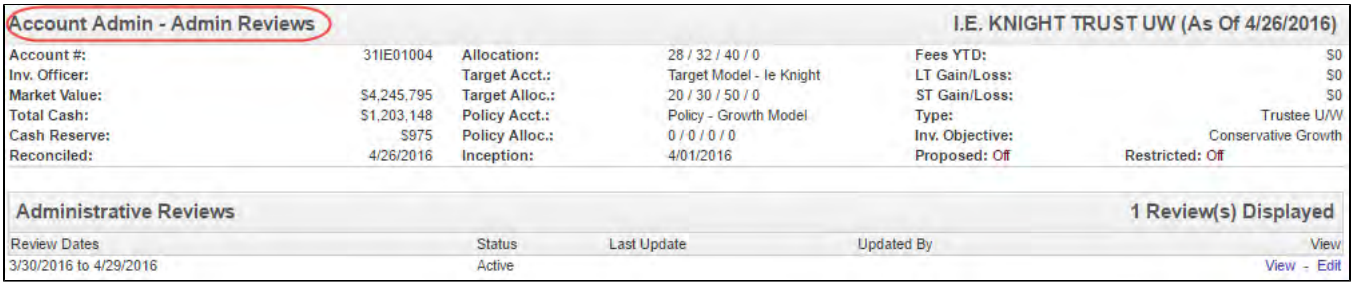
Click the **Search** button to display **Administrative Reviews** search results.

After the search results are displayed, select the **Reviews** to be approved by selecting the check box and clicking the **Approve Selected** button.



Accessing the Admin Review

When **Users** are prepared to do the **Review,** the **Admin Reviews** can be accessed by navigating to the **Accounts>Account Admin>Admin Reviews** scr een.



Exercise

Identify **Accounts** with upcoming **Admin Reviews** that will require attention.

Identify **Reviews** that are past due.

Check to see if any **Reviews** are in **Rejected** status.

Answering Review Questions

- Questions are asked based on the type of **Account** and the investment authority over the **Account.**
  Questions related to types of products and account activity will only be asked for relevant **Accounts.**

- **Users** have the ability to **Edit** or**Comment** on **Reviews** - requires the screen right of **Admin Review Viewer** & **Reviewer**

  Categorizing/ sorting questions
  - Questions display on the screen and report based on alpha/numeric sort by **Flag Name,** which is why there is a number assigned to the **Flag Name.**

- All questions require **Review** and **Comment** before the **Administrative Review** can be submitted for completion.
  This is a control point that is preferable to auditors.
  Users should ensure that the answers to the questions are adequate and relevant.

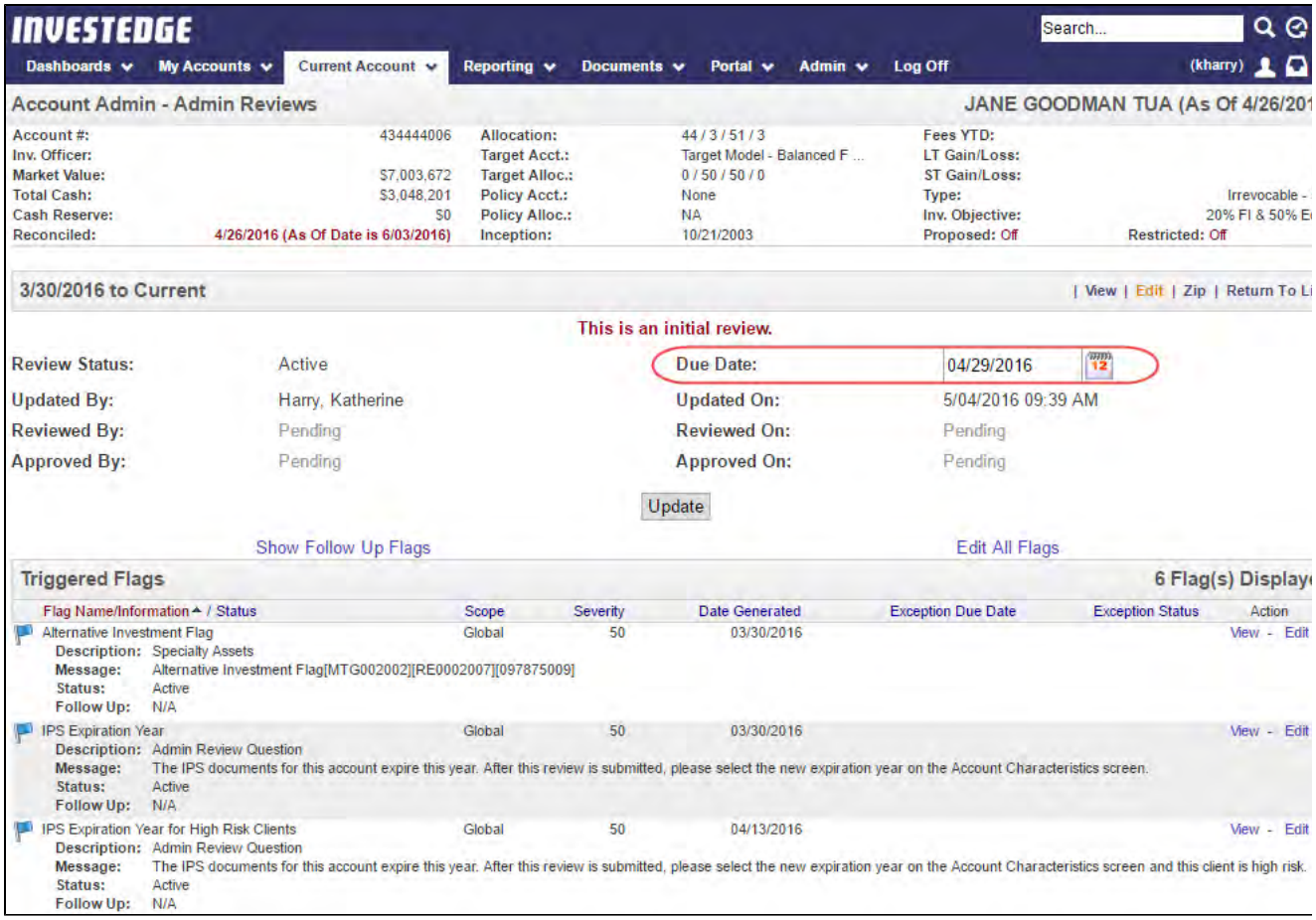
- **Admin Review** questions can be edited individually or through a **Bulk Review** and update of all **Triggered Flags** by clicking the **Edit All Flags** link.

- Answers to questions can either be pre-defined, free formatted or both.
  The question is designed to be as easy to answer as possible.
  If additional pre-defined comments are applicable, each question can have up to 5 **Comments.**

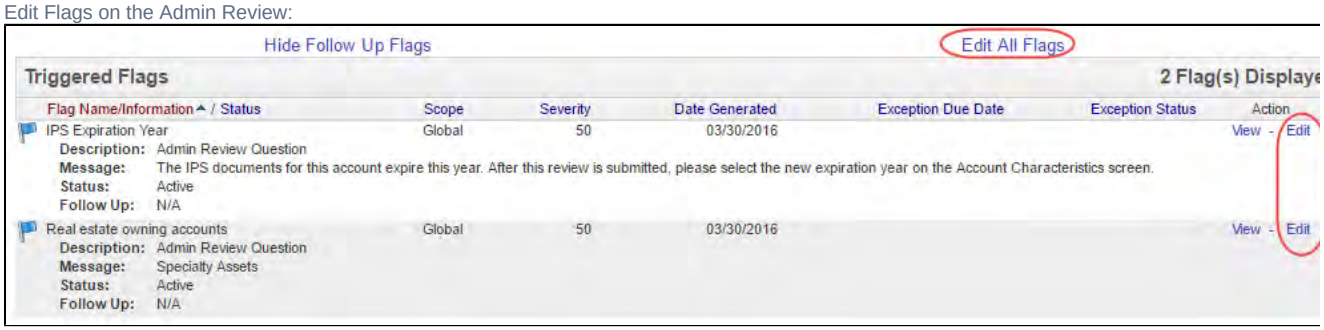
  While answering the questions, the **Flag Status** should be updated from **Active.**
  - **Reviewed, Follow-up Next Cycle** – This option copies answers from each year to the next to reduce the time needed to complete the **R eview.**
  - Statuses can be limited by site if only **Reviewed, Follow-up Next Cycle** is selected.

- While answering questions, the **Current Account>Account Info>Account Profile** screen can be referenced for account specific information.

  Review Due Date for Admin Review:



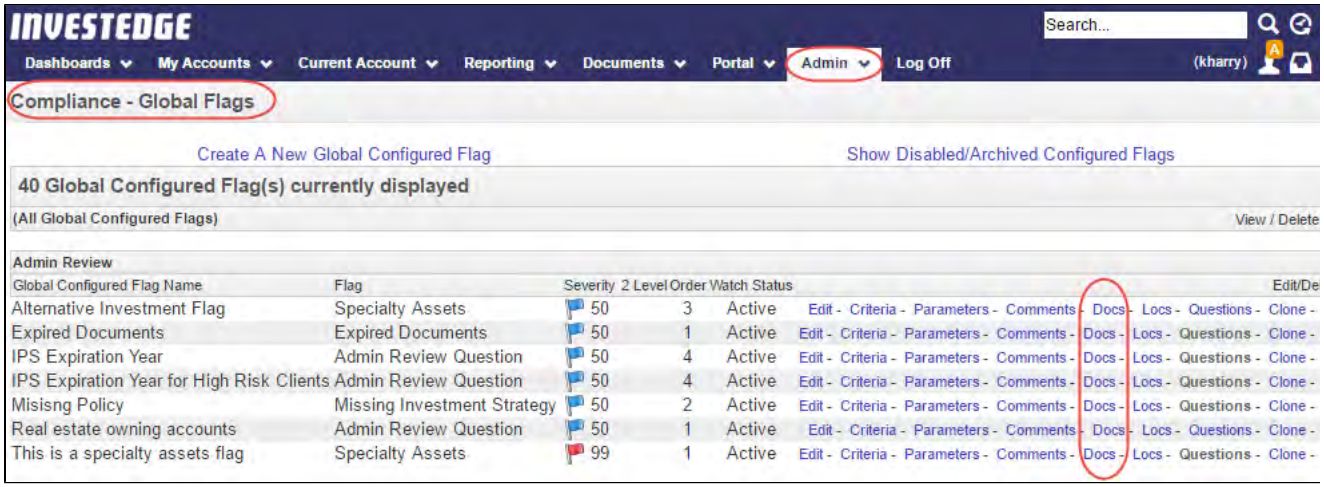
Edit Flags on the Admin Review:



Adding Documentation

Documents such as bank stock indemnity letters can be added to the **Review**.

Navigate to the **Admin>Compliance>Global Flags** screen and click the **Docs** link.



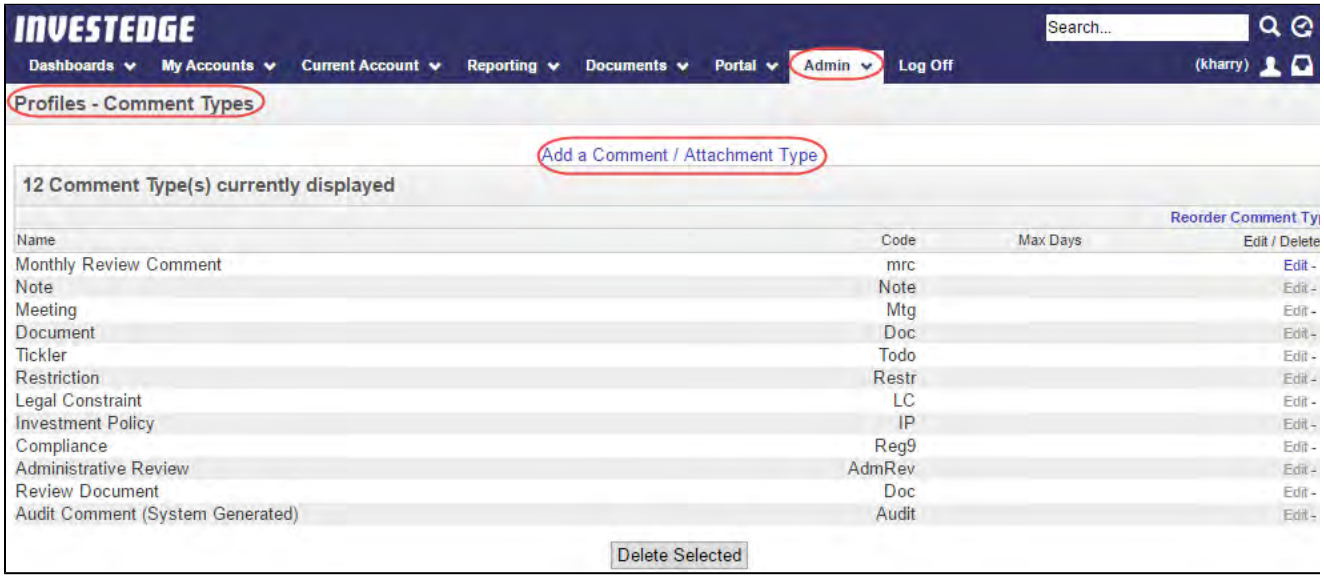
Documents and **Comments** can also be added at the account level, not tied to a particular **Review.**

The following **CommentTypes** are setup:

- Investment Objective/No Response
- Letter of Direction
- Trustmark Letter of Indemnity

For **Documents** that require regular renewal, specific **Comment Types** can be created with a set reminder period.

For example, if an indemnity letter should be renewed once every three years, a **Comment Type** with a 1095 day reminder period can be created on the **Admin>Profiles>Comment Types** screen.



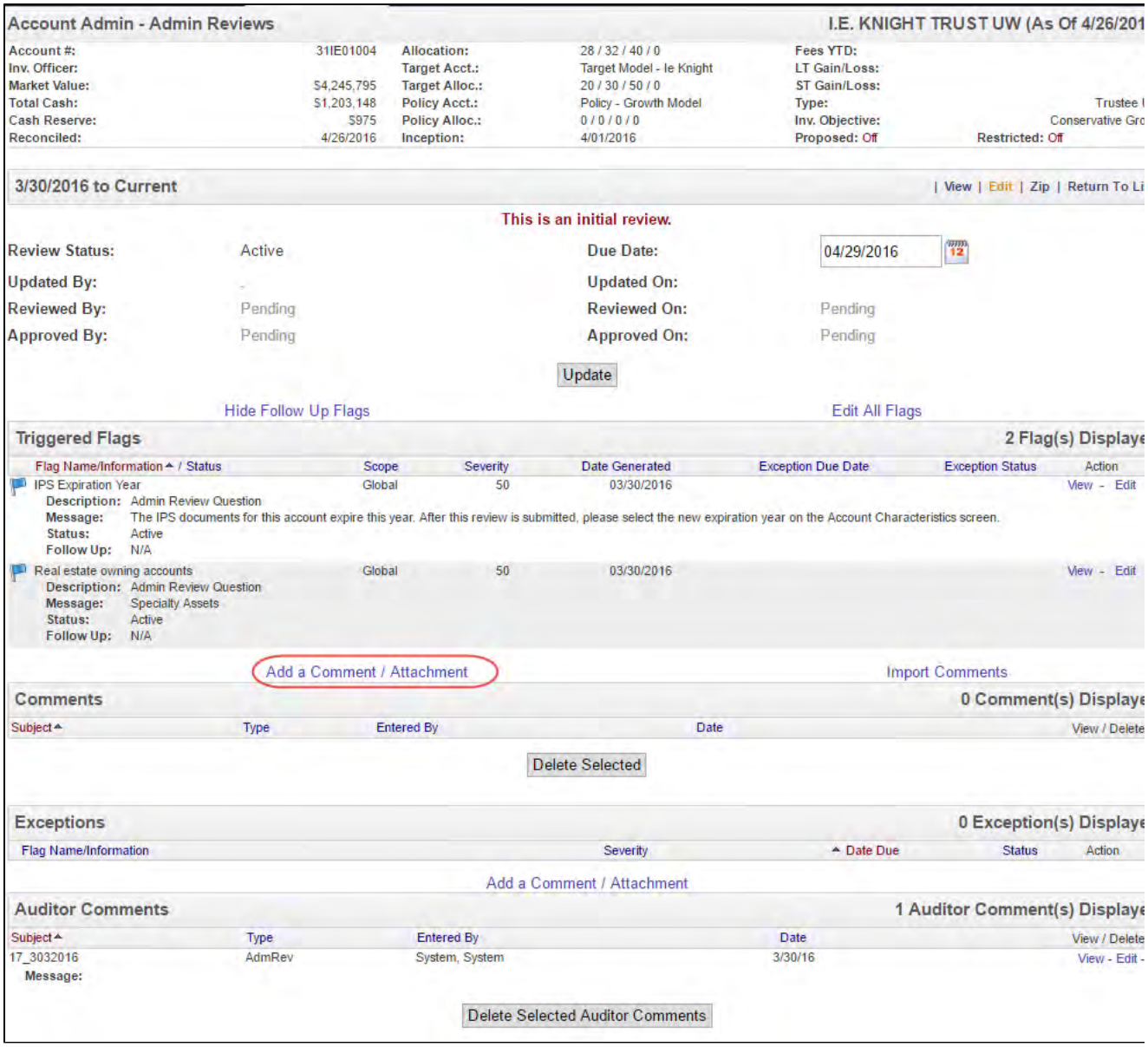
Once the period expires, a tickler will be created on the homescreen to prompt the **User** for the renewal.

Adding review comments

There is a **User Right** associated with adding **Comment** after approved – **Admin Review Auditor.**

A configuration exists to allow only the **User** that creates the **Comment** in the **Comments** section to edit or delete that **Comment**.

If the configuration is turned on, another **User** will not be able to edit/delete **Comments** that are not their own.



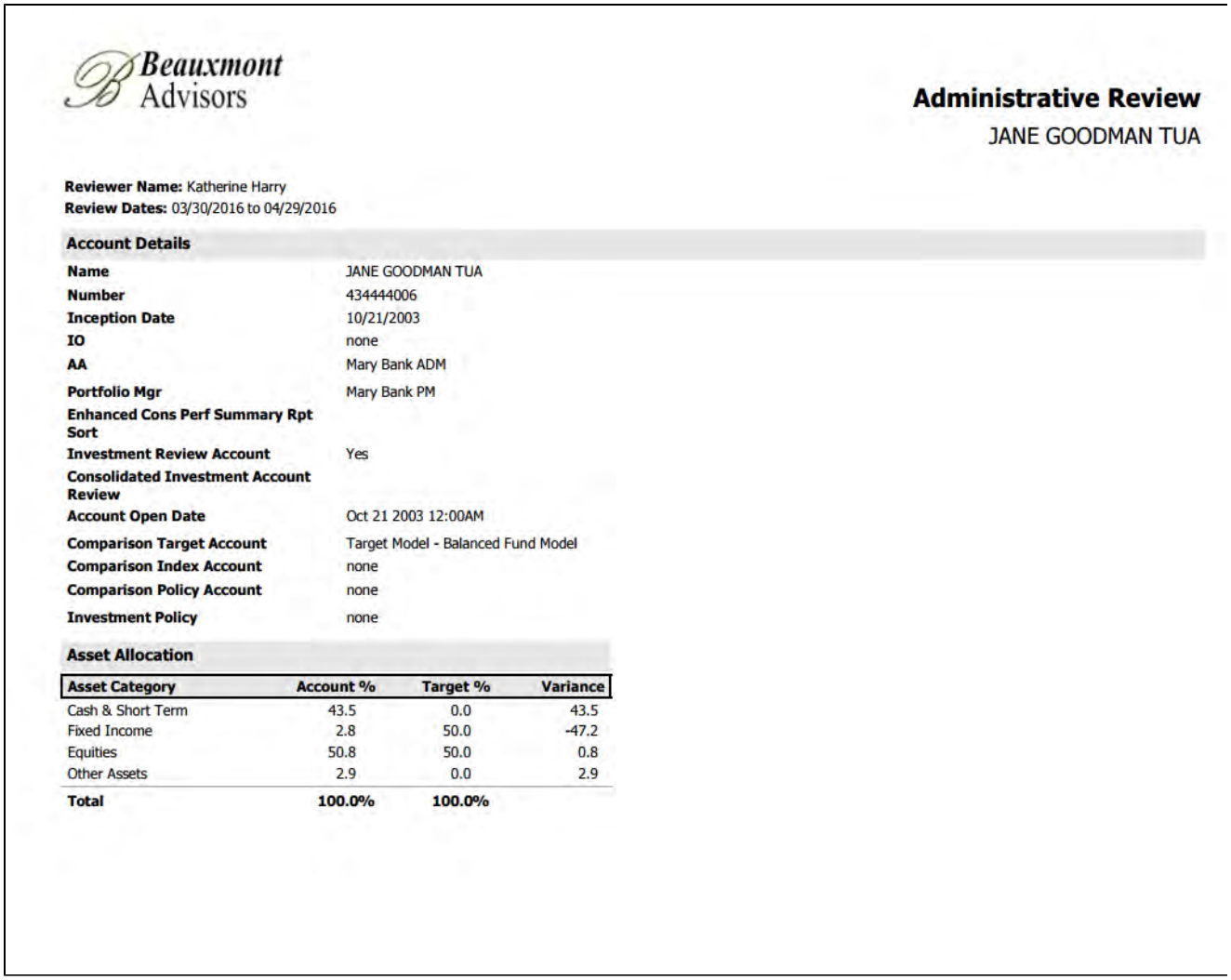
NOTE: A global configuration exists to allow **User** to edit the **Due Date** on **Reviews.**

Draft Review/ Draft Approval Process

1. Create a review PDF.
2. Review the PDF for accuracy/spelling.
3. Review the PDF with an approver before submitting.

Submitting Admin Reviews

Once **Admin Reviews** are submitted, a final PDF is created.



Beauxmont Advisors

Administrative Review

JANE GOODMAN TUA

Reviewer Name: Katherine Harry
Review Dates: 03/30/2016 to 04/29/2016

Account Details

Name	JANE GOODMAN TUA
Number	434444006
Inception Date	10/21/2003
IO	none
AA	Mary Bank ADM
Portfolio Mgr	Mary Bank PM
Enhanced Cons Perf Summary Rpt Sort	
Investment Review Account	Yes
Consolidated Investment Account Review	
Account Open Date	Oct 21 2003 12:00AM
Comparison Target Account	Target Model - Balanced Fund Model
Comparison Index Account	none
Comparison Policy Account	none
Investment Policy	none

Asset Allocation

Asset Category	Account %	Target %	Variance
Cash & Short Term	43.5	0.0	43.5
Fixed Income	2.8	50.0	-47.2
Equities	50.8	50.0	0.8
Other Assets	2.9	0.0	2.9
Total	**100.0%**	**100.0%**	

Admin Review PDF

PDFs for **Closed Accounts** can be accessed by the System Administrator through the **Admin>Global Flags>Closed Accounts** screen.

A **Regenerate** button is displayed if the **Review** PDF is not generated upon submission.

Click the **Regenerate** button to generate the PDF.

Exercise –

1. Using the **Account** with the least number of **Flags,** answer the **Admin Review** questions and update the **Review Status.**
2. Attach a document to the **Review.**
3. Run a draft **Administrative Review** report on the **Account.**
4. When the **Review** is complete, click the **Submit** button.

Consolidating Reviews

Exercise –

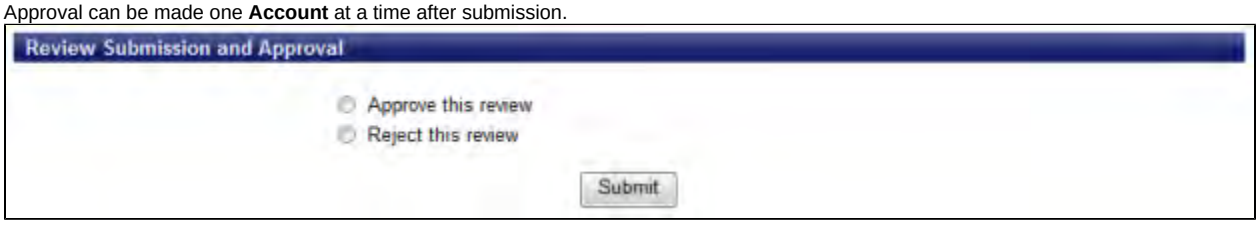
1. Create a **Consolidated Account** and activate it for **Admin Review.**
2. Navigate to the **Accounts>Special Accounts>Consolidated Accounts** screen**.**
3. Click the **Create a Consolidated Account** link.
4. Click the **Accounts** tab and search for the **Consolidated Account** just created.
5. Navigate to the **Account Info>Account Profile** screen.

Approval/Rejection Process

All **Reviews** require additional review and approval.

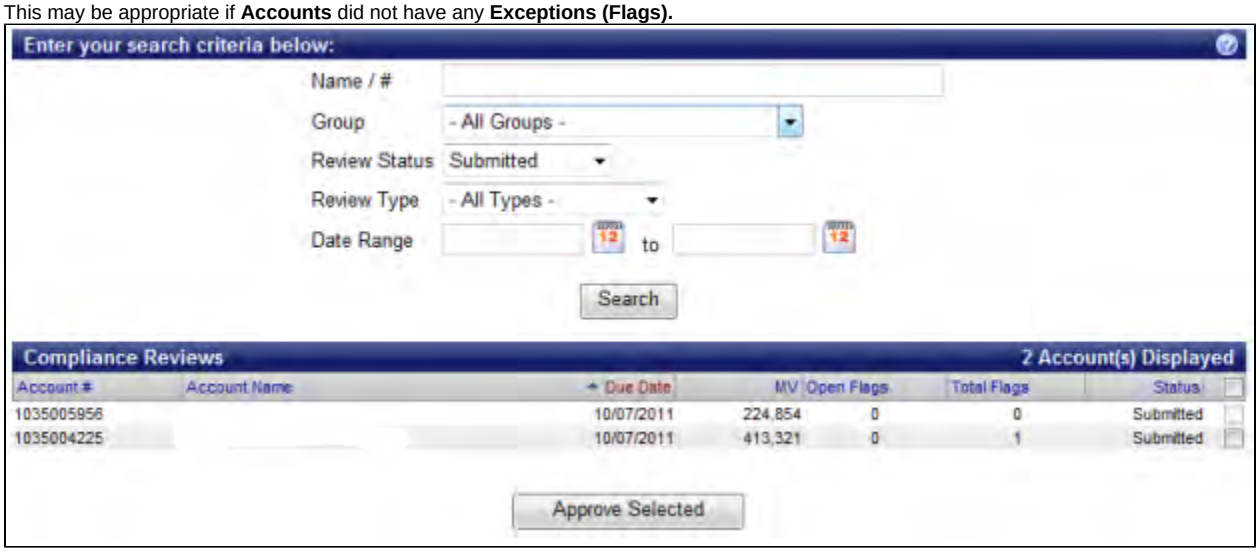
Users are granted a separate right to be able to approve a **Review.**

Approval can be made one **Account** at a time after submission.



Approval can also be made in bulk from the **Investment Review Search** screen.

This may be appropriate if **Accounts** did not have any **Exceptions (Flags).**



> **NOTE: Active Reviews** can not be submitted until all previous **Reviews** are approved, even if all **Triggered Flags** are marked as reviewed.

If a **Review** is rejected, an email will be sent to the **User** daily until it has been resubmitted.

Comments made on rejected **Reviews** persist – but every question needs to be updated to **Reviewed** status.

Compliance Audit

All material associated with an **Investment Review** is accessible online for the life of the **Account.**

An auditor can be granted access directly to the InvesteEdge system to review **Accounts.**

If needed, auditors can enter **Comments** in a separate section as titled.

Once an **Account** closes, the material is available through a request to Client Services.

Management Reporting and Oversight Tools

- Triggered Flags extract: Triggered Flags
- Compliance Review Extract: Compliance Review Extract
- Triggered Flags Search Screen: Search Tools > Triggered Flags
- Review Exceptions Search Screen: Search Tools > Review Exceptions

Due Date Updates

1. There is a User Right required - **Admin Review Edit Due Date**
   Navigate to the **Admin>Security>Users** screen to assign **User Rights.**

2. There are 2 ways to edit a **Due Date** – Within an **Account** & from the **Admin>Compliance>Admin Review Admin** screen (in bulk)
3. **Users** can not set the due date earlier than the **Review's** beginning date.
4. Can be edited to be anything between any date after the **Current Review's** creation date until the end of the current review year.

Appendix A

Top of Form **Admin Review** Bottom of Form
Global Configured Flag Name
1.01 Administrative - UCC's Expiration Date
1.02 Administrative - Insurance Expiration Date
1.03 Administrative - Letter of Credit Expiration Date
1.04 Administrative - Termination Date
1.05 Administrative - Ticklers Checked
1.051 Administrative - Ticklers Checked #2
1.06 Administrative - Synopsis held in file
1.07 Administrative - Municipal Entity
1.08 Administrative - Monthly payments from Obligor timely made
1.09 Administrative - Debt Service and other payment timely made
1.10 Administrative - Debt Service Reserve Requirement Met
1.11 Administrative - Financial Statement Current
1.13 Administrative - Current Specimen signatures
1.14 Administrative - Investment letter or other instructions received
1.15 Administrative - Continuing Disclosure requirements met
1.16 Administrative - Completion Certification obtained
1.17 Administrative - Amendments to articles and bylaws
1.18 Administrative - Rebate Requirement met
1.19 Administrative - Review Instrument & Files
1.20 Administrative - Authorized signers list in file
1.21 Administrative - Any special problems or complaints during the last year?
1.22 Administrative - Were fees collected at agreed date according to correct fee schedule?
1.23 Administrative - How are fees billed and collected?
1.24 Administrative - Has the IRA owner reached reached 70 1/2?
1.25 Administrative - Has notice been given to beneficiaries of any withdrawal rights (Crummy, 5x5)?
1.26 Administrative - Generation Skipping
1.27 Administrative - Generation Skipping
1.28 Administrative - Have there been discretionary distributions in the past year?
1.29 Administrative - Is net income being distributed if required by document?
1.30 Administrative - Account Depletion
1.31 Administrative - Setup on Addvantage Name Address
1.32 Administrative - Tickler Setup Petition Court Annually
2.01 Investment - Investment Objective Form
2.02 Investments - Investments Comply with Instructions
2.03 Investments - Asset Mix to Meet Objective

2.04 Investments - Investment Limitations
2.08 Investment - Specialty Assets
3.01 Real Estate - Property Inspection
3.02 Real Estate - Property Appraisal
3.03 Real Estate - Taxes
3.04 Real Estate - Insurance
3.05 Real Estate - Ownership
3.07 Oil & Mineral Interests - Working Interest
3.08 Oil & Mineral Interests - Ownership
4.02 Compliance - Unusual Transactions
4.05 Compliance - Conflicts of Interest
5.01 Third Party Administrative - Third Party Investment Advisor
6.02 Proxy Voting - Trustmark
9.99 Comments - Reviewer's Comments

Appendix B – Definitions – Flag & Review Status

Flag Status

Reviewed
The **Reviewed** status should only be used when the **User** is ready to perform the **Review.**

A change to the flag message, such as the existence of a new unapproved holding will not cause the **Flag** to re-activate, whereas the **Follow-up** status will cause the **Flag** to re-activate.

Initial date triggered is carried forward into the next review cycle.

Once ALL flags are in **Reviewed** status, the check box will become available for the reviewer to **Submit** the **Review.**

Follow Up
The **Follow Up** status should be used intra-cycle, when the Information Officer or Admin Officer has assessed the exception but does not plan to clear the **Flag** at this time.

For example, a quarterly rebalance is planned for next month, and the **Account** will remain outside of policy allocations until that time.

When the status is in a **Follow-Up** status, a follow-up date must be specified.

A **Review** can't be submitted if any of the **Flags** are in a **Follow Up** status.

Reviewed, Follow up Next Cycle

If a **Flag** is marked for **Follow-Up Next Cycle,** the **User** must select a follow-up date to incorporate a follow-up date into the next review cycle.

Comments made on the **Flag** and the initial date triggered is carried forward into the next review cycle.

Triggered Flag Statuses include: **Closed, Rejected** and **Archived.**

Review Status

Active

An **Active Review Status** indicates that the **Review** needs to go through the review cycle.

In order to proceed with submitting the **Review,** the **User** must address ALL **Flags** within the **Review.**

This can be done by correcting the conditions that triggered the **Flag** or by acknowledging the **Flag** and marking it as

Reviewed or **Reviewed Follow Up Next Cycle** for resolution in the future.

> **NOTE**: A configuration option exists to allow the submission of an **Initial Review** in a future year.

Submitted

Indicates that the **Review** has been completed, meaning all the **Triggered Flags** have been marked in a **Reviewed** or

Follow Up status. A **Submitted** status means that the **Review** is awaiting the final approval step.

Note that **Annual Reviews** cannot be submitted for a future year. When a **Review** is submitted, the **Triggered Flag** can

no longer be edited.

Approved

Once a **Review** is approved the review process is complete and that the **Review** cannot be changed or edited.

Rejected

When a **Submitted** review is **Rejected,** the **Rejected Review** will behave as the account's **Active Review,** so there is only one **Review** record that contains operating **Triggered Flags.**

Any **Flags** associated with the current **Active Review** will be closed.

Flag messages will be updated and new **Flags** will trigger.

Flags for which exception conditions no longer exist will be closed.

New **Triggered Flags** will be associated with the **Rejected Review,** not the **Active Review.**

Additionally, a new global configuration variable has been added that allows for the option to set the **Active Review's** beginning date to the current date when the **Rejected Review** is resubmitted.

Any **Triggered Flags** that were already associated with the **Submitted Review** will persist on the **Rejected** review and

be marked as **Rejected.** **Flags** will be run on the **Review** that was **Rejected** real time in order to clean up **Flags** on the

Rejected Review.

Inactive

An **Inactive** status is typically displayed for previously **Active** compliance reviews for individual accounts, which are now

part of the consolidated compliance review.

Flag Statuses:

Reviewed by Second Person

Reviewed by Second Person, Follow up Next Cycle

> **NOTE:** There are restrictions around editing **Flags** based on the status of the **Flag,** status of the **Review** and updates that have been previously made to the **Flag.** This option allows **Users** to correct spelling errors or change the **Comments** based on changes in circumstances before the **Review** is submitted.