

MEMORANDUM

To: *Trust Department Policies and Procedures Manual* Customers
From: Sheshunoff Information Services
Subject: Highlights

Enclosed is the most recent update to your *Trust Department Policies and Procedures Manual*. This update adds new materials to help your trust management address various aspects of corporate governance, specifically with respect to the implementation of focused policies and procedures to address risk management issues. There are also insights provided regarding the importance of a top-down commitment to an integrated controls environment.

Policy inserts are provided to enhance existing materials and to focus on important new areas and topics. Guidance is provided for the following topics:

- Identification of a Business Interest with an Account
- Promissory Notes
- Utilization of Temporary Depositories
- Contingent Life Insurance Trusts
- Worthless Securities

A new sample policy has been provided with this update to help management address the area of Identity Theft Prevention Program and Related Monitoring Red Flags. The policy document and supporting forms and risk assessment sheets will provide support for your institution to evaluate its internal efforts. Also new to Chapter 3 is a Land Trust policy statement.

A new internal control checklist was added to Chapter 10 in this update. The focus of the checklist is the outsourcing of Personnel Accounting and Recording Services. As a whole, Chapter 10 has been revised with the removal of the internal control checklists which used to appear in print, as well as be available on the CD. To conserve space in the manual and reduce costs, all the internal control checklists will be listed on the Chapter 10 Table of Contents, but will only be available for viewing, on the CD.

Internal controls remain one of the critical focuses in today's risk profile assessments and profile analysis culture. Chapter 10 has been enhanced with the addition of insights about setting the control's culture at the top of the organization. Through a top-down approach, management and staff will receive consistent management and corporate-wide support to embrace a proactive risk management culture based on sound controls.