

How to Use This Manual

Every area of your financial institution is responsible for complying with the Bank Secrecy Act (BSA) and anti-money laundering (AML) requirements. From the teller to the directors of your institution, each member of your staff will be called upon in some way to protect the institution from criminal activities that would benefit terrorist organizations, and to avoid allowing any funds to be laundered. Each financial institution is expected to have a BSA officer in place to administer its anti-money laundering program and to ensure that staff in each functional area of the institution know what their responsibilities are in this regard.

The *BSA Officer's Administration Handbook* provides the tools necessary to make sure that your institution's BSA/anti-money laundering program is effectively implemented by each staff member. The handbook provides explanations of regulatory requirements, sample policies and procedures, checklists, and training outlines for the staff of each department or operational area of a financial institution.

Anti-money laundering laws and regulations apply to financial institutions. Although the handbook uses a bank as a model, the information contained in each section is also applicable to thrifts, savings banks, credit unions, and other organizations considered to be financial institutions under the Bank Secrecy Act.

ORGANIZATION OF THE HANDBOOK

The handbook is organized primarily by job function so you can find specific procedures and related laws and regulations for each department of your institution. We understand that many areas have overlapping responsibilities; each section contains a complete discussion of the department's compliance responsibilities related to anti-money laundering laws and regulations.

Section 1 contains procedures and information for the administration of your BSA program. In this section you will find sample BSA/AML and customer due diligence policies and procedures, including worksheets and checklists, a sample job description for the BSA/AML officer, a sample risk assessment matrix, a chart showing accountability assignments, and general training materials. Section 1A focuses on reporting and recordkeeping rules; tools include SAR, CTR, and

exemption forms, checklists, and worksheets. Section 1B covers OFAC requirements, information sharing under the USA PATRIOT Act, and special high-risk accounts; tools include a sample MSB identification form and checklist, section 314(a) procedures, an OFAC risk matrix, and OFAC policies and procedures.

Sections 2 through 13 contain specific discussions and tools for the staff of each operational area affected by AML laws and regulations, as well as detailed customer identification program (CIP) procedures, red flags that indicated possible money laundering, case examples of money laundering, and a training outline specific to each department.

Section 14 is for the internal auditor who will conduct the independent test of your BSA/AML program. It provides tools for how to determine the scope of the audit, other audit tools, a sample risk assessment, and an audit checklist.