
CheckFreePay[®]

Sample AML Compliance Program

Dear Valued Agent:

As a federally registered money services business (“MSB”) and state licensed money transmitter, CheckFreePay Corporation (“CheckFreePay”) along with the entities that are authorized transaction processing outlets (hereafter “Agents”), are required to ensure that CheckFreePay’s financial products and services are not used to facilitate money laundering, terrorist financing and/or other financial crimes.

Among the tools used by the government in the fight against money laundering, terrorist financing, and other financial crime is the Currency and Foreign Transactions Act of 1970, as amended, commonly referred to as the “Bank Secrecy Act” or the “BSA” along with related anti-money laundering statutes including the Money Laundering Control Act of 1986, and the USA Patriot Act of 2001.

These laws, rules and regulations defined the made it mandatory for all MSBs including those who act as an agent of CheckFreePay, to have an effective Anti-Money Laundering (“AML”) Compliance Program (“Program”) to adequately identify the risks posed by the location, size, nature and volume of the services provided.

An effective Program is one that is reasonably designed to prevent the MSB and/or the agent from being used to facilitate money laundering, terrorist financing and/or other financial crimes. It should be available for every employee to access at each location for reference to ensure they are following the requirements in accordance with the training you are responsible to provide to them.

Each AML Compliance Program must be in writing and must:

Incorporate policies, procedures and internal controls reasonably designed to assure compliance with the BSA. Policies should include, but are not limited to:

- Steps taken to comply with the BSA when reporting thresholds are met.
- Steps taken to aggregate and report payments amongst all money services provided to customers.
- Steps taken to capture customer identifying information, when required.
- Steps taken regarding retention and destruction of documents to protect any customer identifying information.
- Steps taken to maintain any regulatory posting requirements by CheckFreePay.

Designate a Compliance Officer responsible to assure overall compliance of the AML Program.

The designation should:

- Outline the responsibilities of the Compliance Officer.
- Outline other compliance personnel who will have day-to-day compliance and money services responsibilities.

Provide education and/or training of appropriate personnel. Policies should include:

- When, how and which new and existing employees will be trained on BSA compliance

Provide for independent review to monitor and maintain an adequate Program. The review should:

- Be completed by someone other than the Compliance Officer, anyone who reports to the Compliance Officer, and/or person(s) responsible for day-to-day management of the money services and/or compliance.
- Include review of all policies for compliance with AML Program.
- Include review of payments to ensure all payments were reported, as needed. Include review of reporting to ensure all steps were complete, accurate and timely. Ensure all education and training have been completed in accordance with the policies.
- Identify problems and weaknesses and, if necessary, recommend to management appropriate corrective actions.

CheckFreePay values its relationship with each agent that provides payment processing services and has put together this package of sample information that Agents can use as a guide in creating their own Program commensurate with their own risks and businesses. The information includes: a sample AML Compliance Program, general outline of a Compliance Officer's designation and responsibilities, how to access free BSA training for your Compliance Officer and your employees through CheckFreePay, and a sample independent review with checklist.

This information is intended to provide you with a general overview of the BSA requirements applicable to businesses that serve as CheckFreePay agents. The information is not legal advice and does not attempt to address all BSA or other legal requirements that may apply to your business.

For official guidance, we urge you to visit Financial Crimes Enforcement Network ("FinCEN") website dedicated to BSA and AML issues: [fincen.gov/](https://www.fincen.gov/). Additional materials on specific recordkeeping, reporting, and program obligations that may additionally apply to your business may be obtained from these websites. Currency Transaction Reports ("CTRs") and Suspicious activity Reports ("SARs") can be filed directly using the site. If you have questions about how these laws apply to your business, you should consult with your own legal advisor. If you have questions about how these requirements apply to CheckFreePay services you offer, please contact your Market Manager.

Failure to comply with the BSA or with anti-money laundering, counter-terrorist financing or any other laws that affect your business can result in substantial civil and criminal fines, forfeitures and imprisonment. In addition, failure to comply with the law may also result in termination of your status as a CheckFreePay agent.

We believe that together we can make a difference in the fight against money laundering and terrorist financing and look forward to continuing a successful business relationship with each of our agents in compliance with the BSA.

Sincerely,

CheckFreePay

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Sample Bank Secrecy Act and Anti-Money Laundering Compliance Program Policies

It is the policy of [insert Agent name] to:

- Comply with all state and federal laws applicable to money transmission and money services businesses, including, but not limited to, the Bank Secrecy Act (“BSA”) and its implementing regulations, including recordkeeping and reporting requirements, as applicable
- Cooperate fully with law enforcement authorities, in accordance with the applicable law
- Report suspicious payments and suspicious activities as they are detected to the proper government authorities and in accordance with the applicable provisions of the BSA
- Provide internal controls to identify and stop the use of its systems and operations for money laundering purposes
- Provide anti-money laundering training to its employees
- Designate a Compliance Officer with day-to-day responsibility for developing and managing all aspects of agent’s BSA compliance with anti-money laundering compliance procedures; and
- Conduct an independent review of its compliance program not less than annually

Sample Bank Secrecy Act and Anti-Money Laundering Compliance Program Procedures

Identification Requirements

Money Services Businesses have become major targets in money laundering operations because they provide a variety of instruments that can be used to conceal the existence, source or nature of illegal proceeds and disguise them to make them appear legitimate. One of the most effective security measures an MSB can implement to prevent its resources from being used for criminal or illicit purposes is to properly identify consumers.

Certain states, including, but not limited to, Arizona, Florida, Illinois, Minnesota, New Jersey, New Mexico, Oklahoma, Texas and West Virginia, require collection of certain consumer information for accepting payments. Falsification of or failure to comply with state and/or federal law in the capture of consumer information as required may result in termination of CheckFreePay’s relationship with agent.

Acceptable Identification

Federal rules prohibit use of the Social Security Numbers (SSN) as a means of identification. Neither the number issued by the Social Security Administration, nor the card on which the SSN is printed, is a form of identification. The SSN is merely an individual identifier within the Social Security system and the federal tax system.

For each reportable payment(s), the MSB is required to verify the identity of the individual conducting the payment ("transactor") by viewing valid government-issued photo identification (ID). The clerk taking the payment must verify the identity of the consumer and must view and record the unexpired government-issued ID provided by the transactor. The agent must review the identification to see if it appears to be false or altered in any way (For example information appears to be whited out, typed over or the photo appears to be taped in).

Acceptable identification documents include a valid: driver's license, passport, state ID, U.S. military ID (including U.S. military dependent ID), cedular card (foreign) and U.S. alien identification.

Occupation

It is critical that the occupation (business or profession) of the customer be identified sufficiently. The BSA prohibits the use of general terms.

Examples of acceptable versus unacceptable terms

Acceptable	Unacceptable
Advertising salesman	Businessman
Gas station owner	Self-employed
Retired accountant	Retired
Unemployed teacher	Unemployed
Software consultant	Consultant
Convenience store clerk	Merchant

Currency Transaction Reports (CTRs)

In an effort to prevent and detect money laundering and other money services crimes, the Bank Secrecy Act requires that all MSBs report any cash transaction(s) that exceeds \$10,000 using a Currency Transaction Report (CTR). This includes cash transactions that are greater than \$10,000 (both the face amount of the transaction and all fees/charges paid by the consumer), conducted in one day, by any person, or on behalf of another person.

A CTR is required when a payment meets all the following conditions:

- The payment(s) is made in cash
- The payment(s) is greater than \$10,000
- The payment(s) is made by, or on behalf of, the same person and
- The payment(s) occurs in one business day

Note: Agents must treat multiple cash purchases of money orders or money transfers in aggregate if the agent has knowledge that the transactions are conducted by or on behalf of the same person and total more than \$10,000 (includes both the face amount of the transaction and all fees/charges paid by the consumer), during one business day.

Completing a CTR

Agents are required to obtain complete and accurate information from the person conducting the transaction(s) (transactor) at the time of payment.

The following information must be collected for transactor and for whom the transactor is acting on behalf of (beneficiary), if it is someone (or business entity) other than themselves.

- Full name
- DBA, if applicable
- Full address (number, street, apartment or suite number, state, zip code and country, if not United States)
- Date of birth
- Social Security Number (for an individual) or EIN number (for a business)
- Occupation, profession or business (in some detail, for example, “unemployed teacher”, “software consultant”, “retired electrician” or “gas station owner”)

CTRs and other records and reports are only as good as the information you provide. Therefore, it is very important that the information you provide on such reports is accurate and complete. This is your responsibility. The government and law enforcement agencies depend on this information as they fight against money laundering, fraud and terrorism.

When and Where to File the CTR

All CTRs must be filed within fifteen (15) calendar days following the day of the payment through FinCEN's BSA E-Filing System.

Existing users can access the BSA E-Filing System bsaefiling1.fincen.treas.gov/BSALoginMain and use their Username and Password to file the CTR.

New users can create an account by following the steps outlined below:

- Go to bsaefiling.fincen.treas.gov/main.html
- Click Enroll
- Click Begin Enrollment
- Read the Disclaimer
- Click the "I agree" box
- Click Start Enrollment
- And complete the required information

For more information about the benefits of using BSA E-Filing, please review the [E-Filing Section](#) on FinCEN's Web site. FinCEN is committed to working with financial institutions and Money Services Businesses to increase their understanding of the value of E-Filing and has issued a [brochure](#) that highlights its benefits. For other technology-related questions specific to E-Filing, please call the BSA E-Filing Help desk at 1-800-767-2858, Option 2 or visit the HELP section through bsaefiling.fincen.treas.gov/Help.html.

When CheckFreePay requests proof of your compliance with the obligation to file a CTR, you are required to fax CheckFreePay at 877-237-0237 or send a secure email to RegulatoryCompliance@fiserv.com the following documents for our records:

- Copy of the related bill stub
- Copy of the electronically signed CTR
- Copy of the BSA E-Filing CTR Header page
- Copy of the submission Confirmation page or
- Proof that the payment was not tendered in cash

Agent Recordkeeping

Agent must keep a copy of each CTR filed by agent for a period of five (5) years from the date of the payment. Agent should also keep a copy of proof of submission to FinCEN. Agent should be prepared to produce copies of CTRs and proof of submissions in any BSA examination conducted by CheckFreePay, state examiners and/or IRS examination personnel.

Suspicious Activity Reporting

Suspicious Activity Reports (SAR) are among the government's main weapons in the battle against money laundering and other money services crimes. Such reports are also a key component of an effective AML compliance program.

A report must be filed when a payment that is conducted by, at or through the agent and is **both suspicious and \$2,000 or more**.

A payment is suspicious and must be reported if the Agent knows, suspects or has reason to suspect that the payment or payments:

- Involve funds derived from illegal activity or are intended or conducted in order to hide or disguise funds or assets derived from illegal activity
 - **Example:** A consumer who has just paid \$2,700 against one electric account (for a number of overdue home electric bills) states upon leaving the Agent location that he was lucky that he'd just "scored" by selling a number of stolen vehicles. If the Agent overhears the remark, the Agent has knowledge that the funds used to pay the electric bill were "funds derived from illegal activity." The transaction is suspicious and over \$2,000; a SAR must be filed
 - **Example:** An individual known in the community to be a drug dealer visits an agent location. The individual makes a \$4,000 payment on his credit card account. Upon departing the location, the individual states that he has just made a number of drug sales and was, therefore, able to pay his credit card bill. If the Agent overhears the remark, the Agent has knowledge that the funds used to pay the electric bill were "funds derived from illegal activity." The transaction is suspicious and over \$2,000; a SAR must be filed
- Designed to evade the requirements of the Bank Secrecy Act, whether through structuring or other means
 - **Example:** A customer conducting a large cash bill payment attempts to bribe an MSB employee not to file a CTR or attempts to get the MSB employee to break down the payments into smaller amounts
- Serves no business or apparent lawful purpose, and the agent knows of no reasonable explanation for the payment after examining all available facts
 - **Example:** An unemployed mason makes bill payments to a credit card in amounts just under the reporting threshold, several times in a month. The consumer is paying fees to process each of these small payments instead of paying the credit card bill once per month
- Involves use of the agent to facilitate criminal activity

Unusual Activity Monitoring and Examples of Suspicious Activities

Some red flags of suspicious activity may be:

- A consumer uses a false ID
- Two or more consumers use similar IDs
- A consumer alters a payment upon learning that s/he must show ID
- A consumer alters the spelling or order of his/her full name
- A consumer conducts multiple bill payments just below relevant threshold
- Two or more consumers work together to break one payment into two or more smaller payments in order to evade the BSA reporting or recordkeeping requirements
- A consumer refuses to provide consumer-identifying information when required by CheckFreePay or BSA requirements
- A consumer offers bribes or tips to agent clerks in exchange for not filing appropriate forms or processing payments in a certain manner
- A consumer admits to criminal conduct
- Deposit shortfalls
- Clerks who are processing a lot of personal bill payments
- A consumer who is loading excessive cash onto prepaid access card(s)
- The customer attempts to purchase several prepaid cards or other similar products (phone or gift cards, bill payments, money orders, and so on) at the maximum permitted amounts
- The customer is in a hurry, aggressive, or demanding, particularly when challenged if they attempt to purchase multiple products
- The customer returns to purchase additional products in a short period of time (same day, consecutive days, or multiple days in the same week)
- The customer exhibits unusual concern about CheckFreePay policies on information collection and verification
- The customer asks for an exemption from CheckFreePay policies on the purchase of multiple cards or the maximum load value

Questions to Ask

If a payment seems suspicious, it probably is. If a clerk recognizes any of the red flags discussed previously during a payment, they should ask themselves the following questions:

- Is the amount of the payment unusually large for the typical consumer?
- Does the consumer make the same or similar payments more frequently than normal?
- Does the type of payment seem unusual for the consumer?

Structuring Warning

If agent or their clerk(s) intentionally splits a payment into two or more separate payments in order to avoid the reporting thresholds that require the collection of personal information from the bill payment consumer, they are assisting that consumer to structure their payment and may be assisting someone to launder money. For example:

- Joe Consumer needs to make a payment on his American Express bill for \$10,456
 - He does not want to give the clerk his personal information, so he asks the clerk to make two payments (one for \$7,000 and one for \$3,456)
- A customer brings in cash to purchase prepaid cards totaling \$15,000, but when you inform them of the CTR requirement, they purchase a lower amount and have a friend purchase the additional cards

It is a criminal and civil violation of the BSA to structure payments for the purpose of evading the BSA reporting and recordkeeping requirements. If payments accepted by agent are found to be split into two or more separate payments, the non-compliance may be grounds for suspension or immediate termination by CheckFreePay. These measures have been put in place to protect CheckFreePay and its agents. Agent shall be sure that all clerks that process CheckFreePay payments are properly trained, including understanding these requirements to comply with the law.

Filing the SAR

Agent must e-file a completed SAR form for all reportable payments. The form should include all relevant information regarding the payment(s) and persons involved in the payment(s). Agent will take special care in completing the narrative section of the SAR form and should clearly state why the activity appears suspicious. The SAR must be filed within thirty (30) calendar days after agent discovers the suspicious nature of the activity.

Immediate Action

Some suspicious payments require immediate action. If Agent has reason to suspect the consumer's payments may be linked to terrorist activity against the United States, agent should immediately call FinCEN's Resource Center at 1-800-767-2825 option 1.

Similarly, if any other suspected violations, such as ongoing money laundering schemes, require immediate attention, agent shall notify the appropriate law enforcement agency. In any case, agent must also file a SAR.

Agent Recordkeeping

Agent must keep a copy of each SAR filed by location for a period of five (5) years from the date of filing the SAR. Also keep a copy of certification of e-filing of the SAR. Be prepared to produce copies of SARs and certification in any BSA examination conducted by state examiners and/or IRS examination personnel.

Exceptions

Agent does not need to file a SAR for an attempted or committed robbery or burglary that was reported to the appropriate law enforcement authorities.

Confidentiality of SARs

Suspicious Activity Reports are treated as confidential, and as such, do not become public information and can only be shared with regulators and other law enforcement agencies.

It is against federal law to tell any person involved in the payment, including the consumer, about the information reported on the SAR form or even that an SAR form will be or has been filed.

Penalties for Not Filing a SAR

Anyone who has knowledge of the tainted source of funds but still processes a payment involving such funds, may be charged with money laundering.

Even where there is no direct evidence of such knowledge, circumstantial evidence showing that an employee recklessly disregarded or was “willfully blind” to such information may be sufficient to constitute money laundering. “Willful blindness” is the failure to gather available information or investigate something that appears suspicious in order to avoid the results of the information or investigation.

As such, facilitating a money services payment while willfully or recklessly disregarding the source of the customer’s assets, or the nature of the customer’s payments, can result in criminal and/or civil liability for both the employee and agent.

Example: An employee handles several large bill payments for a consumer – something the employee recognizes as excessive for this particular consumer – but s/he still does not report it as suspicious. As a result, both the employee and Agent may be subject to criminal and/or civil penalties.

Funds Transfer Rule

In general, the Funds Transfer Rule requires that information about the persons/entities involved in a payment is kept for recordkeeping for funds transmitted of \$3,000 or more. The “consumer” or “transactor” is defined as the person presenting the payment to the clerk. The person or entity that is the accountholder, as indicated on the bill stub or account, would be the “beneficiary” of the payment. In most, but not all cases, the “transactor” is the “beneficiary” of the payment. It is important to obtain all of the necessary information on both the “transactor” and the “beneficiary” when they are not the same person/entity. This information must be captured at CheckFreePay \$2,500 threshold for capturing information in order to lower the risk and to prevent structured payments.

Example: The manager of a restaurant makes a payment for a \$5,000 bill owed by the restaurant. In this example, the “transactor” is the restaurant manager and the “beneficiary” is the restaurant. Information for both the restaurant manager and the restaurant are required.

Verification of Transactor Identity

CheckFreePay requires detailed information about the consumer for certain transactions of \$2,500 and over. The information required is consistent with the information currently required by the BSA for persons in the United States who conduct currency transactions of more than \$10,000 (the CTR requirement) and the BSA \$3,000 or more recordkeeping requirement (the FTR requirement).

The clerk must compare the photo on the identification to the person requesting the payment at the location to determine if they appear to be the same person on the identification. If they do NOT appear to be the same person then the payment must be rejected. If they appear to be the same person then the payment can be processed, and the following information must be captured for the person requesting the payment at the location (the “transactor”):

- Name
- Telephone
- Address (permanent street name and number, no P.O. Boxes)
- Amount of the payment
- Date of the payment request
- Biller ID number
- Account number
- Identity of CheckFreePay (as the next institution)
- Method of payment (that is cash, check, money order)
- ID document:
 - ID type (for example driver’s license, state ID, military ID, passport)
 - ID number
 - ID issuer (state, province or country)
 - Social Security Number
 - Occupation

Record Retention

CheckFreePay keeps all the information that is transmitted to us through the terminal for a period of five (5) years from the date of the payment to comply with the FTR requirements. There is no further retention requirement by agent, assuming that they have complied with the CheckFreePay procedures described for the purposes of the FTR requirement.

Designation of Compliance Officer and Responsibilities

Agent hereby designates, _____ (name and title), as the Compliance Officer charged with overall responsibility for overseeing compliance with the AML Compliance Program. The Compliance Officer shall:

- Have a substantial role in the making of policy with respect to BSA and AML matters;
- Ensure that agent's AML Compliance Program is reasonably designed, implemented, updated, and enforced so that it will be effective in ensuring compliance with the BSA and preventing and detecting money laundering and terrorist financing;
- Stay abreast of compliance efforts, internal and external audit results, and compliance problems or deficiencies and the corrective actions taken;
- Detect and report known or suspected criminal activity consistent with applicable federal, state, and local laws and regulations and cooperate with law enforcement;
- Coordinate and monitor daily payments and ensure compliance with the reporting, recordkeeping, and registration requirements of the BSA, including the capturing of accurate consumer information for CTR and SAR reporting requirements, the capturing of accurate consumer information for FTR recordkeeping requirements;
- Ensure that all BSA records and supporting documentation be maintained for at least five (5) years;
- Provide for an independent testing and review of applicable compliance related reporting, recordkeeping registration (if applicable), and program requirements
- Complete CheckFreePay required training by CheckFreePay and provide training, as applicable, to appropriate personnel. Document and maintain records for five (5) years of the content of the training provided and lists of attendees' signatures or certification documents for each training session conducted;
- Serve as primary contact for BSA compliance matters in conjunction with any and all primary MSBs for which agent is an agent for (for example CheckFreePay, Western Union, MoneyGram), as well as all state and federal regulatory authorities during audits or compliance examinations.

BSA Compliance Training

CheckFreePay provides its agents with the necessary training to comply with BSA regulations while performing CheckFreePay payments.

CheckFreePay requires every agent Compliance Officer to take our training on an annual basis to meet requirements under the BSA. The course can also be used by the Compliance Officer to train all of their clerks should they choose. The course is completely free of charge to agent and its clerks. If the Compliance Officer chooses to use their own training processes, the Compliance Officer should ensure that their training specifically references to a walk-in payment and highlights that it is also a money service which requires capture of consumer information, CTR and SAR reporting, and other unique things applicable to a CheckFreePay walk-in payment, such as proper handling and secure record retention. Regardless of the method chooses to train its employee base, the Compliance Officer is required to complete the training, annually.

At the completion of Focus on Compliance by each student, a certificate of completion should be printed and retained as proof for regulators and auditors that the student completed the training.

Compliance Course as a Reference Tool

The **Focus on Compliance** training course can be accessed anytime and includes a wealth of reference information on regulations as well as on the policies and procedures of CheckFreePay as an MSB. The reference information has been grouped into tabs, located to the right of the screen. The tabs can be accessed by clicking on the particular tab.

The **Menu** tab will navigate students through the course or allow them to access and review specific topics. The **Library** tab contains forms and links to useful websites. The **Glossary** tab provides compliance terms. The **Regs** tab contains information on particular regulations. The **Notebook** tab allows students to input notes regarding compliance that they would like to reference as they navigate through the course.

How to Take the BSA Compliance Course

The CheckFreePay website has all the latest information on how to access the **Focus on Compliance** BSA training course. Please go to checkfreepay.com/bsatraining for all the details. If you do not have internet access at home or at work, please contact your Market Manager.

Sample Independent Review of AML Compliance Program

The BSA requires a regular review of the anti-money laundering compliance program. Accordingly, an independent audit or other review will be conducted on a regular basis at the direction of the Compliance Officer.

It is agent's policy to provide for independent testing of compliance with all applicable reporting, recordkeeping, registration (when applicable) and program requirements of the BSA and the agent's BSA and AML compliance policies, standards and procedures. In addition, the Compliance Officer, or their designee, will assign the review responsibility to a person who is both independent and has the experience and skill to conduct a thorough and effective independent review (the "Reviewer(s)"). The Reviewer(s) may be an Agent employee, but in no event may the Reviewer(s) be an Agent employee who has specific compliance responsibilities under the agent's AML Program (for example agent Compliance Officer).

Upon appointment by the Compliance Officer, or their designee, the Reviewer(s) shall develop an audit work scope which describes in detail the testing to be performed to meet each audit objective. The audit work scope shall be updated annually to reflect changes to the BSA, to money laundering and related federal laws and to agent's business lines and operating procedures.

The sample AML review checklist can be used at the locations to perform simple independent reviews and discrepancies should be noted along with remediation plan.

Audit Program

At the outset of each audit/review, the Compliance Officer, together with the Reviewer(s) shall determine the scope of the audit/review. At a minimum, the internal control audit work scope established by the Reviewer(s) shall address each critical facet of agent's AML Program.

Set forth below is a description of the points that must be covered in each annual independent review. The scope of the review may be expanded by the Reviewer(s) and the Compliance Officer, jointly or by the Reviewer(s) independently, but in no event shall the scope be less than the complete coverage of all the points listed below.

The minimum review/audit objectives to be met in the annual independent review of agent's AML Compliance Program policies, standards, procedures and controls are as follows:

- Identify all areas of Agent that deal with BSA reporting and recordkeeping (for example bill payment, money orders, check cashing, and so on), and responsibilities for handling legal processes and other inquiries from law enforcement, regulators and other government officials
- Interview the employees for compliance with the agent's AML compliance policies, standards and procedures; as well as compliance with CheckFreePay's BSA and AML compliance policies, standards and procedures
- Review and evaluate agent's system of internal controls and procedures for compliance with the BSA and agent's AML compliance policies, standards and procedures, as well as compliance with CheckFreePay BSA and AML compliance policies, standards and procedures
- Review CTRs, SARs, FTR compliance, and test procedures for proper and accurate completion, review, approval and timely record and report preparation, maintenance, and filing with appropriate government authorities
- Review and test procedures and various generated reports used to identify potential reportable currency payments and unusual or suspicious activity and recordable bill payments
- Review samples of payments for adherence to BSA recordkeeping and reporting requirements, policies, standards and procedures, including identification and other information capture and verification requirements
- Review for completion of BSA training for all employees and evaluate the knowledge of Agent staff charged with the responsibility for compliance with the BSA and with agent's AML Compliance Program policies, standards and procedures
- Review and test the procedures for record retention and destruction

Records of the Independent Review

Agent shall retain records of all final reports of the independent reviews of its AML Program. The Compliance Officer shall be responsible for maintaining such records and shall establish a specially designated file. A copy of the Reviewer’s final written report and a copy of any final agent action reports shall be maintained in the file. Records shall be maintained for a period of five (5) years from the date of final action. Final action shall only be taken upon successful closure of any deficiencies noted in the Reviewer’s final report.

Sample AML Compliance Program Review Checklist

Review Item	Yes	No	Comments/ Actions
Compliance Policy/Procedure			
Is the AML Compliance Program up to date?			
Is there a written AML Compliance Program available at every location?			
Is the AML Compliance Program communicated to every employee conducting CheckFreePay payments?			
CTR Procedures			
Is customer identification being reviewed and captured as required?			
Are payments being aggregated among all MSB payments the customer conducts in the day?			
Has location accepted cash totaling more than \$10,000 (including fees) from or to a single customer for CheckFreePay payments in a single day?			
If yes, was a CTR e-filed to FinCEN according to the AML Compliance Program and BSA regulations?			
If yes, was CTR properly completed?			
If yes, was CTR signed and dated?			
If yes, was CTR submitted in a timely manner?			
If yes, was CTR faxed to CheckFreePay?			
Are CTR forms being retained for at least 5 years?			
SAR Procedures			
Is monitoring being conducted on a regular basis?			
Are payments being aggregated among all MSB payments the customer conducts in the day?			
Have there been any unusual or suspicious payments identified during the review period?			
If yes, was a SAR e-filed to FinCEN according to the AML Compliance Program and BSA regulations?			
If yes, was SAR properly completed?			
If yes, was SAR signed and dated?			
If yes, was SAR submitted in a timely manner?			
If yes, was SAR faxed to CheckFreePay?			
Are SAR forms being retained for at least 5 years?			

Review Item	Yes	No	Comments/ Actions
FTR Procedures			
Is customer identification being reviewed and captured as required?			
Are employees refusing to structure payments when customers object to identification requirements?			
If customer returns at a later time to make additional payments, is customer identification information being captured at that time?			
Compliance Officer Designation			
Is a qualified Compliance Officer designated by Agent?			
Is Compliance Officer performing functions as outlined in AML Compliance Program?			
Are AML Managers designated per location?			
Are responsibilities outlined in AML Compliance Program for AML Managers?			
BSA Compliance Training			
Retained proof that all new employees completed training upon hire?			
Retained proof that Compliance Officer completed CheckFreePay BSA course?			
Retained proof that all existing employees completed training annually?			
If using an in-house training program: does it include specific information regarding CheckFreePay payment compliance?			
Based on interviews with employees, do they understand the AML Compliance Program and its obligations as related to their job functions?			
Annual Independent Review			
Conducted at the location level according to procedure?			
Corrective actions implemented over last review?			
Are BSA documents being retained for 5 years?			
Miscellaneous Compliance			
Are applicable documents being retained in a safe and secure location according to procedure?			
Are documents being destroyed and rendered unreadable before throwing away?			
Are documents being retained and destroyed within the required timeframes?			
Are all state regulatory postings posted as required?			

Additional Compliance Information for CheckFreePay Payments

Document Retention

The following chart details the document retention requirements:

Document	Keep for Minimum of
Bill stubs (except credit card bill stubs which should be returned to the consumer), counter slips, daily reports and miscellaneous other	120 days
Journal tape and properly endorsed bank deposit slips	1 year
Check conversion authorization forms (POP forms)	2 years
Currency Transaction and Suspicious Activity Reports	5 years

Document Destruction

Agent agrees that all documents required to be retained by CheckFreePay shall be kept in a safe and secure location with limited access by select employees. At the end of the retention period, the documents shall be shredded or otherwise destroyed and disposed of in a manner consistent with maintaining the confidentiality of such documents.

Banking Procedures

Agent must make daily deposits of funds collected on behalf of CheckFreePay and its billers and clients into the commercial checking account set up as the Field Account during your location's implementation.

For Agent's who deposit into their own Field Account: Agent is liable for any and all fees and charges associated with opening and maintaining the Field Account, which account title shall include a designation of "For the Benefit of CheckFreePay Corporation."

Processing of Payments

Agent **must** only accept bill payment payments when a bill stub is presented to the clerk for payment unless specifically allowed by the biller and CheckFreePay.

Agent **must** inform every consumer of proper payment posting times and shall make a reasonable effort **not** to collect payments from a consumer that may be at risk of incurring any type of late charges.

Agent **must not** process any disconnection of service bill payments unless specifically allowed by the biller and CheckFreePay.

Agent **must** aggregate all CheckFreePay payments (for example bill payment(s) and prepaid access load payments) requested by, or on behalf of, a single person or account number in a single day to determine if recordkeeping and/or reporting thresholds (that is FTR, CTR) have been reached.

Agent must aggregate all CheckFreePay payments with other money services payments (for example check cashing, money orders) requested by, or on behalf of, a single person or account number in a single day to determine if recordkeeping and/or reporting thresholds (that is FTR, CTR) have been reached.

Posting of Signage

CheckFreePay will provide and Agent must display at all times in a site clearly visible to the public, all state regulatory postings and other postings to inform consumers of fees, processing times or other pertinent information regarding the CheckFreePay services. Agent must inform CheckFreePay immediately, by either logging in to the CheckFreePay marketing website checkfreepaymarketing.com or by calling the CheckFreePay helpdesk at 800-676-6148, if any postings have been lost or destroyed and require replacement.

Certain state regulatory postings can be found in the Library tab of the CheckFreePay Focus on Compliance BSA Training course.


Internal Revenue Service Title 31 or Other Audit or Examination Requests

If agent receives a subpoena, state examination notice or notice of Title 31 examination by the IRS that relates to any payments you have processed for CheckFreePay, agent will follow these steps:

- **Immediately**, after receipt of subpoena or examination notice, fax subpoena or examination notice to CheckFreePay Compliance Department at 877-237-0237 or send a secure email to RegulatoryCompliance@fiserv.com so that CheckFreePay has sufficient time to process your request for information
- Include agent's name, terminal number(s), email, fax and phone contact information with fax

Connect With Us

For more information
about CheckFreePay:

 800-676-6148

 checkfreepaymarketing.com

Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimization. Our solutions help clients deliver financial services at the speed of life to enhance the way people live and work today.

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