

OFFICE OF FINANCIAL REGULATION (OFR)
PREOPENING EXAMINATION PROCEDURES/ISSUES

- _____ Verify compliance with OFR Final Order, any other requirements
- _____ Verify compliance with FDIC or Federal Reserve orders/requirements/insurance conditions
- _____ Verify required capital
- _____ Reconcile stock records
- _____ Verify payment of documentary stamps on par value of stock
- _____ Assess reasonableness of organization expenses and their accounting treatment
- _____ Evaluate current investments
- _____ Verify correspondent accounts reconciled and balanced
- _____ Review securities safekeeping report
- _____ Review details of borrowings, including accounts payable
- _____ Review status and implications of any outstanding or threatened litigation
- _____ Evaluate management/board/committee structure, including role of key individuals
- _____ Identify controlling shareholders and potential implications
- _____ Verify directors properly elected
- _____ Verify qualified management in place and employment approved by Board
- _____ Verify Board approved compensation of officers and directors
- _____ Determine adequacy of Board minutes, including MIS/financial reporting (exhibit B)
- _____ Verify EDP systems operational
- _____ Verify organizers' activities ratified by Board
- _____ Review Board authorization limits for loans, overdrafts, securities and official checks
- _____ Review and evaluate operating policies

- _____ Evaluate strategic plan and budget, including: sources of income, anticipated break even date, leverage potential of capital and earnings, plans in the areas of additional capital (date and amount), lending activities, deposit products, borrowings (terms and conditions), and investments.
- _____ Evaluate contractual arrangements, including insider and financial implications
- _____ Review Nondeposit investment products, other products/services to be offered
- _____ Inform management of state insider issues including 655.0386, FS (Board approval for loans, goods and services), lending limits for insiders and others
- _____ Review internal control environment, particularly internal and external audit functions
- _____ Assess adequacy of insurance coverage
- _____ Identify bank affiliates and evaluate actual and/or potential implications
- _____ Verify security devices in place and operating
- _____ Complete examination report
- _____ Verify bait money and procedures
- _____ Verify BSA, OFAC, E-banking, and Privacy policies, procedures and systems