

Bank Secrecy Act / Anti-Money Laundering Act Policy¹

Be it resolved that this is the policy of <INSERT FINANCIAL INSTITUTION NAME> to maintain maximum compliance with the Bank Secrecy Act (BSA), its amendments, laws and regulations.

The Board of Directors designates <INSERT TITLE> as the BSA Compliance Officer. The BSA Compliance Officer is responsible for coordinating and monitoring day-to-day BSA compliance and managing all aspects of the BSA compliance program including but not limited to adherence of BSA and its implementing regulations.

The Board of Directors will be ultimately responsible for the financial institution's BSA compliance and will ensure that the BSA Compliance Officer has sufficient authority and resources (monetary, physical and personnel) to administer an effective risk-based BSA compliance program.

The BSA compliance program will:

1. Implement a system of internal controls to assure ongoing compliance;
2. Designate a BSA Compliance Officer;
3. Provide for independent testing for compliance concerning the BSA/AML program at least annually. The annual audit is to be completed by outside auditors or consultants or internally by qualified persons who are not involved in the function being tested; and
4. Provide periodic training to all appropriate personnel. The training will be tailored to the person's specific responsibilities for BSA.

The system of internal controls should include but is not limited to:

1. Perform a BSA Risk Assessment by identifying the financial institution's operations (products, services, customers, and geographic locations) more vulnerable to abuse by money launderers and criminals; provide for periodic updates to the financial institution's risk profile; and, provide for a BSA/Anti-Money Laundering (AML) compliance program tailored to manage risks.
2. Inform the Board of Directors, or a committee thereof, and senior management, of compliance initiatives, identified compliance deficiencies and corrective action taken and notify directors and senior management of Suspicious Activity Reports (SAR's) filed.
3. Provide for program continuity despite changes in management or employee composition or structure.
4. Meet all regulatory recordkeeping and reporting requirements, meet recommendations for BSA/AML compliance and provide for timely updates in response to changes in regulations.

¹ This sample policy is generic and not meant specifically for your company. You will need to revise it to fit your specific company needs. Information presented within the sample policies is collected, maintained and provided for the convenience of the reader. While every effort is made to keep such information accurate and up-to-date, the DFI does not certify the accuracy, warrant or make any representations as to the quality, content and completeness of the information presented. Under no circumstances shall DFI be liable for any actions taken or omissions made from reliance on this information.

5. Identify reportable transactions and accurately file all required reports including SARs
6. Provide for dual controls and segregation of duties.
7. Provide sufficient controls and monitoring systems for timely detection and reporting of suspicious activity.
8. Provide for adequate supervision of employees that complete reports, grant exemptions, monitor for suspicious activity or engage in any other activity covered by the BSA and its implementing regulations.
9. Incorporate BSA compliance into the job descriptions and performance evaluations of appropriate personnel.

This policy was approved by the Board of Directors of <INSERT FINANCIAL INSTITUTION NAME> on the <INSERT DATE>.