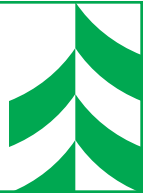


BUSINESS RISK MANAGEMENT CHECKLIST



Use this checklist to review your bank-related risk management processes and procedures to verify that you have the controls in place to protect your organization's finances. Review this information on a regular basis.

Account structure

- Minimize number of accounts to reduce the risk of fraud
- Segregate accounts at greater risk
- Use unique serial number ranges for specific purposes instead of additional accounts
- Convert paper-based payments to electronic payments

Internal controls

- Dual authorization procedures should be used for the following transactions: Online ACH, ACH/NACHA/EDI file transmissions, wires and check automation
- Review Internet security regularly and validate best practices
- Protect all IDs and passwords
- Review transactions before they leave the company
- Conduct surprise audits
- Never sign checks in advance
- Review and update signature cards annually

Check supply

- Use a trusted, established vendor
- Use a unique check style for each account for easy differentiation of payments
- Incorporate security features into your check design
- Monitor check orders and inform your supplier if checks are not delivered in a reasonable time
- Use secure storage area with controlled access for your checks and check printing equipment

Control transactions

- Use Internet banking to review account daily
- Reconcile daily/monthly (separate duties between staff that issue payments vs. those that reconcile)
- Multi-factor authentication secures access to high risk services within Associated Connect™

Staffing

- Limit authorization to employees who need it
- Segregate duties clearly within the accounting department
- Review system access privileges for all employees regularly, including vendor creation
- Provide education on phishing and other external dangers

Associated Bank services that help you reduce risk:

Paper transactions

- Reverse Positive Pay
- Positive Pay, with default of return or pay
- Teller Positive Pay
- Check safekeeping – truncate your cancelled checks

ACH transactions

- Debit Blocks – stop all ACH originators from debiting your account
- Debit Filters – ensure only authorized originators can debit your account up to a predetermined amount

Remote Deposit (electronic check imaging) transactions

- Create procedure to secure checks once images are deposited
- Shred deposited items after predetermined timeframe

