

CCO Checklist

April 2021	Date Completed	
<p>Send Privacy Policy* & ADV Part 2 (or list of material changes) to Client. ADV Required annually by CCO, 120 days after FYE. Send the Material change page or the entire Form ADV Part 2 Brochure to Clients. <i>*Privacy Policy is only required to be sent if material changes are made to your privacy policy. Annually</i></p>	<input type="checkbox"/>	
<p>Annual Certification for FINRA Entitlements: Super Account Administrator (SAA) designation to be completed between April 19th and July 19th. Please contact your CRP representative to confirm who should have account access in Firm Gateway for your firm. https://www.finra.org/filing-reporting/entitlement/user-accounts-certification-process</p>	<input type="checkbox"/>	
<p>Review Best Execution Report: Obtain the Post Trade Report or similar report from Custodian to test Best Execution. Review and document review in file. Quarterly</p>	<input type="checkbox"/>	
<p>Review Inactive Accounts for Reverse Churning: This “internal testing” task is for accounts that are still clients but have no trading activity for the last year or 2 and are being billed an advisory fee each quarter. If there is no active management, your firm should have a review process on those accounts to substantiate any compensation and it should be documented in their file. Semi-Annually (April & October)</p>	<input type="checkbox"/>	
<p>Review Terminated Accounts: Obtain a report that allows you to verify that amounts refunded to terminated client accounts during the previous quarter are accurate and in accordance with your firm's procedures. Quarterly</p>	<input type="checkbox"/>	
<p>Review Zero Balance Accounts: Obtain Zero Balance Report from custodian and identify all accounts with a zero balance. This information can confirm cancellation of management by client. Semi- Annually (April & October)</p>	<input type="checkbox"/>	
<p>Review Billing Statements/Fee Calculations Report: Review billing statements/fee calculations report from custodian or billing program; take any necessary corrective action and document review; maintain in books and records. This can be done monthly or quarterly. Quarterly</p>	<input type="checkbox"/>	
<p>Review Customer Complaint File: Remind IARs of reporting all client grievances to Compliance. Review complaints/grievance for potential U4 reporting. As needed</p>	<input type="checkbox"/>	
<p>Quarterly Compliance Meeting with Management: Review any compliance matters that have arisen since the last regular meeting. Quarterly</p>	<input type="checkbox"/>	
<p>Quarterly Attestation Review: Refer to CRP’s Compliance Questionnaire. This is to be completed by all Associated Persons each quarter-for example - disclosure of any political donations, amendments to U4s, transaction reporting. This is a required document and must be kept on file. Quarterly</p>	<input type="checkbox"/>	
<p>Personal Securities Transaction Reports: Obtain duplicate brokerage statements or personal securities transactions reports from all supervised persons. Confirm that the personal securities account statements are on file. Are they consistent with the Quarterly Transactions Reports. Review employee securities transactions separate and against client transactions for possible prohibited activity by IARs. Quarterly</p>	<input type="checkbox"/>	
<p>Review Trade Blotter: Download Report from Custodian and review for any irregular trading patterns or trade discrepancies. Monthly</p>	<input type="checkbox"/>	
<p>Correspondence and Email Review: Review staff correspondence, including email. Monthly</p>	<input type="checkbox"/>	
<p>Review of Company Financials: The CCO should review the company's accounting records to confirm the company is in compliance with its home state's net capital requirements. If the firm is SEC registered, please make sure the company is solvent at all times. Monthly</p>	<input type="checkbox"/>	

APRIL FOCUS: Annual Offer & Sending out Part 2A Material Changes

A **material change** includes most items disclosed on the Form ADV Part 2A, such as changes in: services the firm offers, investment advisory fee arrangements, new disciplinary information, investment strategies, relationships with related persons and outside entities, custody, new solicitation or referral compensation, advisory personnel, and change to the organization.

For SEC registered firms - If an adviser makes material changes to its brochure, Rule 204-3(b)(2) requires the adviser to deliver to each existing client, within 120 days after the end of its fiscal year, and without charge, either the following documents:

- **Current brochure** - A copy of the full brochure document.
OR
- **Material Change** - Summary of material changes to the brochure as required by Item 2 of the Form ADV- Part 2A that offers to provide the adviser's current brochure without charge, accompanied by the Website address (if available), an email address (if available) and telephone number by which a client may obtain the current brochure from the adviser and the website address for obtaining information about the adviser through the Investment Adviser Public Disclosure (IARD) system.

If the firm has consent for electronic delivery, the material changes may be sent electronically. If there is no written consent for electronic delivery, the Material Change page must be sent via mail or hand delivered. Contact CRP for a sample cover letter/email for the Material Change.

For State registered firms - Per most State's Rules and Securities Act – you will need to send out correspondence to your clients with an offer to deliver a full brochure to them. Remember to retain the communication and the list of clients that it went out to. The State will ask for proof that you sent this out to your clients annually.