

MERCHANT REMOTE DEPOSIT CAPTURE (RDC) REVIEW CHECKLIST

Return this completed form to:

Financial Institution:

Contact:

Via:

By:

For Financial Institution Use Only: Are RDC client/business balances and transactions reviewed regularly for accuracy or activities and compliance with OFAC laws and regulations?

Yes

No

Instructions: This resource is intended to assist _____ in ensuring RDC client's adherence to RDC agreement and FFIEC guidance.

Name of RDC Client or Business:

Name of Individual Completing Checklist:

Contact Phone:

Contact Email:

Date Review Completed:

List All Current Employees Utilizing the RDC Product: (Business Clients Only):

Is each employee required to have a separate user name and password?

Yes

No

Are user names and passwords changed during any change with employee status?

Yes

No

Number of Locations Allowed to Scan Items and Make Deposits via RDC:

Where are RDC Offices Located?

Address	City	State

General Information

Complete the following for each account that RDC product is setup to utilize.

Account number receiving deposits	Deposit frequency for this account. (daily, weekly, monthly, etc.)	Avg. deposit amount for account/frequency
_____	_____	_____
_____	_____	_____
_____	_____	_____

What type of clearing channel is used for RDC?

Check Image

ACH

Is a background check completed on any individual utilizing the RDC product?

Initial background check completed

Periodic background check completed

No

Has the RDC client/business developed and implemented adequate RDC training for new employees?

Yes

No

Are individuals utilizing the RDC product required to be bonded or insured?

Yes

No

When submitting deposits, is dual control utilized?

Example: person scanning items is not the same person that is balancing and/or transmitting the file

Yes

No

Does the RDC client/business have a contingency plan if there is any disruption to RDC services?

Yes

No

If yes, explain the plan:

Hardware

What scanner options are utilized when capturing items? (Check all that apply)

Simplex (item scanned one side at a time)

Duplex (scans both sides of item during a single pass)

MICR (Magnetic Ink Character Recognition) *means scanner is able to automatically read MICR line of item*

OCR (Optical Character Recognition) *uses scanner's optical reader to capture the characters on the MICR line*

Franking/spraying, *scanner will make a mark on the item to indicate it has already been scanned.*

If franking/spraying is not utilized on scanner, how are scanned items marked "VOID"?

CAR/LAR recognition, *the scanner is able to read the courtesy/legal amounts written on a check and automatically enter that information into the RDC file.*

Duplicate detection

If duplicate items cannot be determined by scanner, how are they identified?

(Examples: software detection, reports, etc.)

Can the scanner detect a domestic item vs. a foreign item?

Yes

No

If yes, explain how foreign items are handled:

Is scanner monitored and checked on a regular basis to ensure it is functioning properly?

Yes

No

Does RDC client/business ensure that the PC used for RDC functions is up to date with all relevant operating systems and application patches?

Yes

No

Is a cleaning/maintenance kit kept on hand for the scanner?

Yes

No

How often is the scanner cleaned?

Are spare consumable parts (rollers or belts) kept on hand for maintenance?

Yes

No

How is the payee endorsement applied to each item? (Check all that apply)

- Handwritten
- Rubber stamp
- Scanner places on item
- RDC software applies virtual endorsement

Software

Once items are scanned, who is allowed to make changes to data within RDC software?

Financial Institution

RDC Client/Business

If the RDC user is allowed to alter the MICR line, what are they allowed to alter?

May change any part of the MICR line

May change the amount only

What user authentication features are utilized within the RDC software? (check all that apply)

- User ID/Password
- Picture recognition
- Other (explain)

- Token
- Multi-factor authentication questions

Does RDC client/business receive an acknowledgement from the Financial Institution confirming RDC file totals?

Yes

No

Explain acknowledgement method (i.e. fax, email, phone call):

Image Quality Control

What item quality standards can be identified at the point of capture? (Check all the apply)

- Too small
- Too large
- Too light
- Too dark

- Piggyback item
- Item skew
- Dark/light streaks
- Missing MICR line

- Full/partial obstruction of endorsement area
- Front/rear image mismatch (front/rear width/length of image doesn't match)

With what frequency do you verify item quality standards listed above?

If item fails image quality control at the point of capture, what steps are taken?

Security

Is the location in which items are scanned secured (not in a lobby or area where customers, public or unauthorized personnel can access)?

Yes

No

Are scanned items stored in a secure manner?

Yes

No

Is this documented?

Yes

No

Explain storage method:

Examples: fireproof safe, fireproof cabinet or drawer, locked bag, locked cabinet, etc.

Are procedures and controls in place to handle confidential information?

Yes

No

Is access to scanned items restricted to only authorized individuals?

Yes

No

Is access to scanned items accessed under dual control?

Yes

No

How long are items retained after scanning before they are destroyed?

Scanned items are destroyed:

Onsite

Offsite

Explain destruction method:

Examples: cross-cut shredder, use third-party shredding company, etc.

Is RDC related equipment (PC used/scanner) kept secure?

Yes

No

Is PC utilized for RDC purposes locked when not in use?

Yes

No

Is anti-virus and/or spyware software utilized on PC used for RDC functions?

Yes

No

If yes, explain how anti-virus and/or spyware are kept current and what software is used.

How often is the PC scanned using security software?

**Which of the following purposes has the RDC equipment (PC/Scanner) been used in the past year?
(check all that apply)**

Remote Deposit Capture

Email

Web Browsing

Remote Desktop Connections

Online Banking

Scanning other documents

Accounting Software

Other (explain):

Firewalls are utilized by RDC client/business:

Yes

No

If yes, explain how firewall protection is ensured when accessing the internet.

Is computer utilized for RDC functions updated when applicable updates become available for Microsoft, virus protection, etc?

Yes

No

Are check images or data stored on PC utilized for RDC functions encrypted?

Yes

No

What type of internet connection is used to transmit RDC files between the RDC client/business and the Financial Institution?

Examples: cable high speed, dial-up, T1, etc.

How do you ensure your internet browser (i.e. Internet Explorer, Firefox, etc.) is kept up-to-date?

Fraud

Original items are reviewed manually prior to scanning to identify: (check all that apply)

Altered items

Forged signature

~~This function is handled~~

Counterfeit items

Forged endorsement

~~automatically by hardware/~~

~~software~~

Are account statements or account history monitored for deposit accuracy?

Yes

No

If yes, what frequency are account statements or history reviewed?

If fraud is detected, what actions are taken?

Has the RDC client/business experienced any breaches, fraud or theft since the last review period?

If yes, explain the situation

If yes, what action was taken to prevent further instances?

Returns

Explain how a returned item is handled when received from the Financial Institution:

How does an RDC client/business collect on NSF/Uncollected returned items?

Reports

Explain the types of reports the RDC client/business reviews and how often:

Report Name/Description	Frequency Of Review
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Signature of Person Completing Review: _____ Date Review Completed: _____



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