

New Business Account Checklist

Business Account Policy

A board approved policy that includes the desirable businesses the financial institution wishes to attract and undesirable businesses the financial institution wants to avoid. Clearly state the required due diligence to be performed and requirements prior to opening a business account.

- Acceptable businesses
- Nonacceptable businesses
- Risk ranking process
- Qualification of the business
- Ongoing due diligence of the business to determine proper use of services
- The types of services offered
 - Checking Accounts
 - Remote deposit capture
 - Online banking
 - Commercial ACH
 - Wire transfers
- State and federal laws for acceptable businesses

Verification of Business Status

- Request a copy of the business license through the secretary of state
- Request a copy of the most recent IRS Form 1040 and Schedule C, Profit and Loss from Business for a sole proprietorship. You can use IRS Form 4506-T to request the tax return directly from the IRS.
- LLCs and nonprofits
 - Request registered articles of incorporation
- Partnerships
 - Request partnership agreement

The information presented in this document is intended for informational purposes only and should not be construed as legal advice or a legal opinion and it may not reflect the most current legal developments. You should seek the advice of legal counsel of your choice before acting on any information provided in this document.

- Check the business's website for a physical address and contact information
- Verify the address on Google Maps
- Look for customer reviews on independent platforms like the Better Business Bureau (BBB)
- Check social media platforms for active engagement
- Consider conducting background checks on the business through an information reporting agency

Corporate Resolutions

Require a signed corporate resolution adopted by the governing body of the corporation, LLC and/or nonprofit business that is certified by the proper officer of the business. The resolution should include:

- The person(s) authorized to open the account on behalf of the business
- The person(s) authorized to perform transactions on behalf of the business
- The types of transactions the authorized signers are permitted to perform on the account

The Nature of the Business

When opening the account obtain sufficient information on the business's operations and nature of the business activities. Developing an understanding of the business will assist in determining the risk (low to high) and level of due diligence necessary.

Business Checking Accounts

- Evaluate creditworthiness by reviewing the business's financial statements and/or tax returns
- Screen the principals and authorized signers through ChexSystems or a similar service
- Require that the business use a payee positive pay solution

The information presented in this document is intended for informational purposes only and should not be construed as legal advice or a legal opinion and it may not reflect the most current legal developments. You should seek the advice of legal counsel of your choice before acting on any information provided in this document.