

Appendix 5

Securities Handling Practices
Review Checklist

U.S. Department of Housing
and Urban Development

Name of HUD office and location of site within office.

It is the policy of HUD to fully protect and preserve at all times the securities and negotiable instruments (both marketable and non-marketable) which pass through or are retained in Headquarters and the Field.

This checklist is to be used during unannounced reviews of the way securities are being handled by the HUD work force. Completion of the steps listed should provide the reviewer with knowledge of the way the securities custodial officers, mail handlers, and other responsible employees are performing their securities handling duties.

Each user of this checklist shall become familiar with HUD Handbook 1911.1, Handling and Protecting Cash, Securities and Other Negotiable Instruments, prior to reviewing HUD's securities handling practice.

Should the answer to any of the following inquiries be "NO", the reviewer must ascertain the significance and consider if any corrective action need be taken. This should be documented in an attachment to the checklist and referenced to the time. A brief explanation as to why a step is not applicable in a particular situation should be inserted on the checklist or attachment thereto.

YES No

A. MAIL DISTRIBUTION AND OPENING

- (1) Is securities mail segregated from remittances mail and processed?
- (2) Are securities received at other than designated receiving points being handled properly?

B. DESIGNATION/JOB DESCRIPTION REQUIREMENTS

- (1) Has a securities custodian been designated in writing?
- (2) Does the letter of appointment specify those classes of securities for which custodial responsibility is assigned?
- (3) Has a copy of the letter of appointment been sent to the Director, Office of Finance and Accounting?

C. SECURITIES HANDLING AND PROCESSING

- (1) Is accountability being established for every security within a custodian's responsible area?

page 1 of 2 form HUD-27049 (5-88)
ref. handbook 1911.1

1911.1 REV-4 A5-1 May 1988

Appendix 5

YES NO

- (2) Are securities transfers being accomplished by one of the approved methods?
- (3) Are securities being examined to determine marketability?
- (4) Are lost, missing, stolen or counterfeit securities being properly reported?

D. SAFEKEEPING AND PROTECTIVE MEASURES

- (1) Are work areas of securities receiving offices secure at all times from entry of unauthorized personnel?
- (2) Are the criteria for all controlled access areas being followed?
- (3) Do storage facilities meet the standards?
- (4) Have annual inventories of securities held been taken and have results been forwarded to the Director, Office of Finance and Accounting, to verify the accuracy of Securities Received Registers to insure that securities are not lost, missing or stolen?

page 2 of 2 form HUD-27049 (5-88)
ref. handbook 1911.1

1911.1 REV-4 A5-2 May 1988