

[Date]

[Name of Management/Board of Directors]

[Company Name]

[Address]

[City, State, Zip Code]

RE: Management Letter Regarding Electronic Fund Transfer (EFT) Controls for Trust Accounts

Dear [Name],

In connection with our recent [audit/review] of the trust accounts for [Company Name], we have evaluated the internal controls surrounding Electronic Fund Transfers (EFTs). Because trust accounts involve the handling of third-party funds, stringent security measures are essential to mitigate the risk of fraud, unauthorized access, and clerical errors.

Based on our assessment, we recommend the implementation and enforcement of the following control procedures:

- **Dual Authorization:** Require at least two authorized individuals to complete any EFT. One individual should initiate the transfer, and a second, independent individual should review and approve the transaction.
- **Callback Verifications:** Implement a mandatory "callback" procedure to verify new or changed wire instructions via a known telephone number, independent of the electronic request received.
- **Segregation of Duties:** Ensure that the person responsible for performing bank reconciliations does not have the authority to initiate or approve EFT transactions.
- **Dedicated Hardware:** Utilize a dedicated, standalone computer for all banking and EFT activities to reduce the risk of malware or phishing attacks associated with general web browsing and email.
- **Daily Monitoring:** Perform daily reviews of all trust account activity to identify and investigate any unrecognized transactions immediately.
- **Alert Notifications:** Enable real-time SMS or email alerts from the financial institution for all outgoing transfers.

Adhering to these controls will significantly strengthen the integrity of the trust accounts and protect the assets held on behalf of your clients. We are available to discuss these recommendations in further detail at your convenience.

Sincerely,

[Your Name/Firm Name]

[Your Title]