

Navigating CTR Form 112 on the BSA E-Filing System

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As of April 1, 2013, a financial institution that attempted to file a CTR using Form 104 should have run into problems. Filing those legacy forms manually might be subjected to civil money penalties. The BSA e-filing system on FinCEN's website now requires electronic filing for all CTRs and requires financial institutions to utilize CTR Form 112 to file these mandated reports.

CTR Form 112 has a different appearance and structure from the legacy form. While the purpose of the form has not changed, some data fields have been updated to allow additional information to be provided. Questions have been raised about expectations of what is to be reported on the new form and how information should be presented. We have identified 10 frequently asked questions, and we answer them here:

1. **Can the noncritical fields be left blank?** Financial institutions have been focusing on completing only the required information when submitting the form. Lines 6-9(a) and 18-19 are noncritical fields that provide additional information on the customer identified. FinCEN's stance on these fields is that the information should be provided if a financial institution has the information available for the noncritical fields. If an examiner reviewing filed CTRs determines information was omitted that was readily available (i.e., phone number, e-mail, gender, etc.), it may result in an exception.
2. **What's with the new 15 calendar day rule?** FinCEN's CTR electronic filing requirements specify the CTR form must be filed by the 15th calendar day after the day of the transaction. This is not a new rule since it has always been part of the filing requirement in the regulation. The previous instructions allowed 25 calendar days to file the report electronically, which was initially put into place to benefit batch filers. The change in reporting may require financial institutions to alter their current filing procedures to meet the 15 calendar day requirement.
3. **How should identification be documented for entities?** If a deposit or withdrawal has been made for an entity, the documentation used to verify the entity needs to be reported in line 20. FinCEN notes that the "unknown" box is being checked in many cases where financial institutions had the information on file about the entity through records retained on the account relationship (i.e., LLC and Corporation documents obtained at account opening). To avoid scrutiny from regulators, list the identifying information if it is available.
4. **How should a sole proprietor's transaction be documented?** A common error is documenting a sole proprietor as an entity. For example, if the sole proprietor deposits funds exceeding the reporting threshold, the entity box should not be checked on Part I of the form. In line 2, box 2(a) should be checked. The name of the individual would then be reported on lines 4-5 and the doing business as (DBA) name would be listed in line 8. In addition, even if the sole proprietor has a separate taxpayer identification number for the business, the sole proprietor's personal taxpayer identification number should be entered in line 16.
5. **What is a sufficient description of occupation on line 9?** A frequent exception noted by regulators is the word "retired" appearing in the occupation field in line 9. Keep in mind, while the CTR form has changed, the instructions have not changed for what should be completed in the occupation field. The CTR form will probably not be returned for this input; however, FinCEN strongly encourages financial institutions to be more specific reporting from what industry the customer is retired (i.e., laborer, lawyer, construction, etc.).
6. **How is a CTR completed for transactions involving an armored car?** Some financial institutions have an armored car service deliver or pickup deposits for customers. The armored car is either contracted by the customer or the financial institution and this determines how the applicable CTR is filed. If the armored car service was contracted by the financial institution, all the information on the customer who benefitted from the transaction might not be available. In that case, the financial institution should complete Part I with as much information as it has available and check "armored car" in line 24. If the armored car was contracted by the customer, Part I should be completed on both the customer whose account is affected and the driver of the armored car.
7. **How are cash in/out transactions reported on lines 21-22 for multiple individuals?** Preparing a CTR on multiple individuals and reporting cash for each individual can be troublesome to get right. The cash in/out for each individual identified in Part I should be the total amount affecting the specific person. For example, if an individual has two separate deposits into their account on the same day, one for \$6,000 in cash and one for \$5,000 in cash, this would require a CTR. In Part I, the individual on the account would be identified and line 21 would state total cash in of \$11,000. Instead, let's say that the \$5,000 cash deposit was performed by an individual not on the account. A second Part I would need to be completed identifying the individual that conducted the transaction. Line 21 would state \$5,000 for this individual they are not on the account and only performed a transaction for this amount.
8. **What is the purpose of the boxes in Part II line 24?** A financial institution may experience instances where the identity of the individual in the transaction is unknown if the transaction occurred at an ATM, through the mail, by a night deposit, or if the financial institution contracted an armored car. In addition, aggregate transactions at multiple locations may

have exceeded the threshold, but the individual transactions were under the reporting threshold and never required identifying information to be collected. If the transactor was not identified due to individual transactions below \$10,000, Part II (a – d) should still be completed with “unknown” being checked on lines 4-20. “In addition, aggregated transactions” in line 24 should be checked. FinCEN instructions state that the aggregated transaction box on line 24 should only be checked for teller transactions and not for night deposits or deposits through the mail.

9. **What is the RSSD number and must the field be completed?** All financial institutions, including their branches, should have separate Research Statistics Supervision and Discount (RSSD) numbers. Line 39 has a drop-down feature that allows a financial institution to select RSSD and input the appropriate number in the following line. For example, if the transaction for a specific customer did not occur at the main branch, the financial institution would input the RSSD number that corresponds to the branch where the transaction occurred. If the reportable transaction was a result of aggregated transactions from two branches, the institution would complete Part III for each branch to identify both locations and both RSSD numbers. Although this is a non-critical field, the expectation is that this field is completed if the information is available to the financial institution. The following website allows a financial institution to determine its RSSD number for reporting purposes:
<http://www.ffiec.gov/nicpubweb/nicweb/SearchForm.aspx>.
10. **Should CTR Form 112 master templates be created?** Some financial institutions feel this expanded form requires more resources and time to complete. FinCEN allows for the CTR form to be saved outside the e-filing system. This allows a financial institution to create a template for the form that retains all consistent information submitted each time. For example, Part III, page 4, contains information about the financial institution that should be the same for the majority of forms filed with the exception of multiple locations of aggregation. Using the saved template when filing a CTR can reduce some of the time and resources spent completing the form.

Complete instructions for filing CTR Form 112 can be found on FinCEN's website at the following link:
http://www.fincen.gov/forms/bsa_forms/. Institutions will find that any items designated as required on CTR Form 112 and left blank will result in a rejected filing. While this will reduce the amount of correspondence financial institutions receive, ensuring the form is filled out accurately and contains all available information is ultimately the financial institution's responsibility. Although many of the items discussed in this article are not requirements, financial institutions are strongly encouraged to complete the CTR with all the information available. Each financial institution's BSA management team should take time to review the CTR filing process and verify it is complying with FinCEN's expectations.

About the Author

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