

AGENCY ESCROW TRUST ACCOUNT RECONCILIATION REQUIREMENTS

As part of the appointment process and/or subsequent routine audits by the Fidelity National Financial family of underwriters, our agents are required to monthly reconciliations for all existing escrow / trust accounts. For the reconciliations to be considered complete, the following reports must be included:

1. Escrow Trial Balance: A trial balance is a listing of all open files as of some specific point in time, usually as of month end or bank statement date. This report shows the amount of funds held for each respective customer. Trial balances should be prepared as of the ending bank statement date and should agree with the Adjusted Bank balance after some routine reconciling items detailed below. The Escrow Trial Balance total should also match the Register / Book report total as of the ending bank statement date.

A trial balance is of vital importance because it documents all customer related liability claimed against the escrow trust account balance. In simple terms it answers the question "Whose money are you holding?" The trial balance may be identified by other names depending on your closing software, but its requirement runs through most State Department of Insurance regulations, State Bar rules, American Bar Association guidelines and control guidelines endorsed by the American Land Title Association. ***This information IS required under Florida Administrative Code #690-186.009, The Florida Bar Rule 5-1.2 and Fidelity National Financial.***

2. Outstanding Deposits / Deposits in Transit: Outstanding deposits are those funds which may or may not have been received, been posted (added) to the register, BUT have not cleared the bank account. The funds in question will be included in the Escrow Trial Balance total and will have to be **added** to the ending bank statement balance to bring the two into agreement. The report should clearly list all items with their corresponding posting dates, amounts and file numbers. These deposits should not be more than a few business days old. ***This information is NOT specified under Florida Administrative Code #690-186.009 but IS a requirement of The Florida Bar Rule 5-1.2 and Fidelity National Financial and necessary to adequately document the reconciliation.***
3. Outstanding Disbursements: Outstanding disbursements are those funds already issued or initiated by the agent by check, debit, and / or wire, BUT have not cleared the bank account. The funds in question will no longer be included in the Escrow Trial Balance total and will have to be **deducted** from the ending bank statement balance to bring the two into agreement. The report should clearly list all items with their corresponding check / wire numbers, posting dates, payees, amounts, and file numbers. Excess stale dated outstanding items generate concern, particularly those payable for mortgage payoffs, liens, recordings, underwriter premiums and property taxes. ***This information IS required under Florida Administrative Code #690-186.009, The Florida Bar Rule 5-1.2 and Fidelity National Financial.***
4. Bank Statement: We require complete copies (including deposit and check images if available) of bank statements for period reconciled to review beginning, daily and ending balances, transactional activity, overdrafts, NSF charges and returned items. Statement copies of all escrow trust and interest bearing / sweep accounts must be provided until the account is officially closed. The Beginning and Ending Bank Balances should match the totals shown on the Reconciliation Summary Report. The Ending Bank Balance should be adjusted to account for all outstanding transactions. This Adjusted Bank Balance total should match the Escrow Trial Balance and Ending Register / Book Balance totals. ***This information IS required under Florida Administrative Code #690-186.009, The Florida Bar Rule 5-1.2 and Fidelity National Financial.***

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5. Register / Book Report: This report generally lists all transactions (deposits, disbursements, voids) posted to the closing software. It is commonly known as and compared to the "checkbook" for personal accounts. The Register / Book Report should be prepared to include all transactions posted during the reconciled month. The ending balance of this report should match the Escrow Trial Balance and Adjusted Bank Statement balance. ***This information is NOT specified under Florida Administrative Code #690-186.009 but IS a requirement of The Florida Bar Rule 5-1.2 and Fidelity National Financial and necessary to adequately document the reconciliation.***
6. "Three Way" Reconciliation Summary Report: This is a single page summation of the report totals described in items #1 through #5, and all other adjustments, if applicable. This Reconciliation Summary Report should clearly illustrate the matching of the (1) Adjusted Ending Bank Statement Balance, the (2) Register / Book Balance and the (3) Escrow Trial Balance totals as of the same date, to complete the "Three Way" reconciliation process. If adjustments are needed to bring the account in balance, then a detailed listing should be provided, along with explanations of each item. ***This information is NOT specified under Florida Administrative Code #690-186.009 but IS a requirement of The Florida Bar Rule 5-1.2 and Fidelity National Financial and necessary to adequately document the reconciliation.***

Your accounting software may also prepare other reports as a part of its reconciliation package. Some examples are Cleared, Voided Transactions and Adjustments. Please submit these reports as well with the required reports since they are useful in resolving potential discrepancies and account exceptions previously mentioned. Finally, the prior month should be reconciled prior to the end of the current month to ensure timely resolution of errors and exceptions.

Licensed title insurance agents (corporate agencies) are required to submit their reconciliations to Fidelity National Financial on a monthly basis. This requirement includes all open escrow accounts that are active, inactive, and used to hold underwriter premium and recording fees. ***This information IS required under Florida Administrative Code #690-186.009 and Fidelity National Financial.***

Attorney agents may or may not be required to submit monthly to Fidelity National Financial, depending on their Agency Agreements. However, reconciliations should still be completed monthly and be available for our review.

Fidelity National Financial Agency Operations have developed a new application within the [AgentTRAX](#) website designed specifically for a convenient escrow trust account reconciliation submission process for our Agents. The application allows our Agent's designated employees and third parties to securely upload reconciliation files. Access to the application is restricted to approved Agent users and designated FNF Agency personnel. Usage of this application will also ensure our Agents are provided with direct and timely feedback on the status of their accounts. The application is in the AgentTRAX website's suite of applications menu and is known as [EscrowTRAX](#). Click [here](#) to access our EscrowTRAX User Guide for detailed instructions.