Chapter Fourteen: Accounting

About this Section

This section contains information on accounting transactions in Web CRD.

Completion Objectives

At the completion of this section the user will be able to:

- Explain the accounting process.
- Identify and explain the different account types.
- View account information.
- Explain the renewals program.

In this Section

This section contains the following topics:

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About Accounting

Web CRD provides firms with detailed information about financial accounts. **Every firm** using Web CRD has a financial account with FINRA. For Broker-Dealer/Investment Adviser Firms ("Joint Firms"), IARD transactions will be processed through your existing Web CRD Daily Account and will be listed as they are processed with a BD or IA fee description. Web CRD collects and disburses State and SRO registrations fees for firms.

Your firm's Daily Account Balance must show a credit balance for registration related filings to be processed. A credit balance is displayed as a **negative** amount. As an example, a credit balance of $-1,000.00 represents funds of $1,000.00 available for registration transactions. Web CRD reads a credit balance as a **Sufficient** Account Status and allows registration activities to be processed. For an account status to be Sufficient there must be a balance of more than $0 in the account.

A debit balance appears on Web CRD as a **positive** amount. For example, a debit balance of $1,000.00 means that a firm's financial account owes $1,000.00 and has a **Deficient** Account Status. A balance of $0.00 indicates a **Deficient** Account Status. Although form filings can be submitted with a **Deficient** Daily Account Status, no registration transactions can be processed until funds are deposited into the firm's Daily Account to cover the transactions.

- Check deposits received after 2:00 P.M., ET will be posted to the firm's account in two business days. Check deposits received before 2:00 P.M., ET will be posted to the firm's account on the next business day.

The firm's Daily Account Status (i.e. **Sufficient** or **Deficient**) is based on the firm's real-time balance (Daily Account Balance + Processed Transactions + Funds Deficient Transactions). The real-time balance will display as either **Current Credit Balance** or **Current Amount Due** (debit balance). Please note, if the firm's real-time balance falls below $0.01 at any point throughout the day, the firm's Daily Account Status will become **Deficient**.

The Posted Account Balance information in Web CRD will be updated after the close of business during an automated nightly reconciliation process. Therefore, the firm's Posted Account Balance remains the same for the entire day until the nightly reconciliation process occurs.

Account Types

To track your financial transactions, Web CRD uses two types of accounts: **Daily** and **Renewal**.

Daily Account- If applicable, the "Daily Organization Information" header includes the current amount due for transactions currently funds deficient, the amount due for items already processed and the current credit balance.

The Daily Account is the primary account that reflects the firm's account status. All registration related charges are debited from this account. The Daily Account contains the following queues and financial transaction information:

- **Processed Transactions Queue** - Items in this queue reflect financial transactions processed by Web CRD during the current business day.

- **Funds Deficient Queue -** Items in this queue reflect transactions that have been submitted to the Web CRD, but have not been processed because the firm's Account Status is Deficient. Transactions remain in this queue until funds are deposited into the firm's account and the funds deficiency is cleared.

Please note that Processed and Funds Deficient transaction fees are included in the firm's Current Credit Balance or Current Amount Due.

- **Account Activity Summary** - Displays summary information by date range for payments, transfers, and transactions. Beginning and an ending Posted Account Balances are also shown.

- **Deposit Detail** - Displays information by date range about specific deposits to your firm's account.

- **Transfer Detail** - Displays information by date range about specific transfers between accounts (e.g., affiliated firms, transfers between the Daily and Renewal Accounts) and firm requested refunds.

- **Transaction Detail** - Displays information by date range about all transactions submitted to Web CRD (e.g., registration fees). It also includes adjustments made to an account. This query does not include items listed in Transfer Detail or Deposit Detail.

- **Bill Line Search** - Displays specific transaction information by charge code, (a code number associated with state and FINRA fees,) Web CRD transaction number, Branch CRD# and/or individual Web CRD number.

Renewal Account

The Renewal Account is the account your firm will use to participate in the annual Renewal Program. The Renewal Program enables firms, firm branch offices and individuals to maintain an active registration status in the coming year with FINRA, other regulators, and the jurisdictions in which they conduct business. This account is used to display fees associated with the following annual renewal fees: FINRA System Processing Fees for Registered Representatives (AGs), FINRA Branch Renewal Processing Fee; Branch Renewal Processing Fee; FINRA Branch Renewal Registration Fee; SRO Maintenance Fees for Registered Personnel; Jurisdiction Agent Renewal Fees; Jurisdiction Broker-Dealer Renewal Fees. Joint Firms can also view the following annual renewal fees: System Processing for Investment Adviser Representatives (RAs), IARD System fee for state-registered investment adviser firms, and Jurisdiction Investment Adviser Representative Fees. Also, Late Payment Fees will be displayed for firms that fail to pay their renewal fees on time, based on the deadline date established for the Preliminary Renewal Statement. Late Payment Fees are calculated as 10% of a member firm's cumulative Final Renewal Assessment or $100, whichever is greater, with a cap of $5,000. The Late Payment Fee is applicable only to FINRA member firms.

To be included in the Renewal Program firms, branches and individuals must have the following statuses:

Broker-Dealer Firm: Approved, Limited, Conditional Restricted, Suspended, Pending (FINRA Only)

Individual: Approved, Approved Pending Prints, Approved Pending Results, Temporary Registration, Inactive – CE, Inactive – Prints, Requalification, Restricted Approval, Suspended, Transition Requested.

Branches: Termination Requested, Suspended, Open, Restricted Approval, Approved.

The Renewals Program generally begins in November of each year. Customized Renewal Statements will appear ***online*** in Web CRD and list fees owed by a firm. Joint Firms can view both Web CRD and IARD renewal fees on the Renewal Statements.

Similar to the Daily Account, the Renewal Account contains the following accounting transactions:

- **Renewal Statement –** Displays an online invoice that itemizes the annual fees that firms are required to pay in order to maintain registration with regulators (SROs and jurisdictions) for an upcoming calendar year. There are two types of Renewal Statements:

  Preliminary Renewal Statement: Displays a list of renewal fees owed as of close of business on a specific date in November. The Preliminary Renewal Statement is usually available for viewing and printing online in the first or second week of November. Firms are required to pay the full amount of the Preliminary Renewal Statement by the applicable deadline.

Final Renewal Statement: Displays a list of renewal fees owed or renewal fees that have been overpaid by your firm based on the Preliminary Renewal Statement. The Final Renewal Statement is usually available for viewing and printing online in the first week of January and replaces your firm's Preliminary Renewal Statement. Firms are required to pay the full amount owed on the Final Renewal Statement. If a firm has overpaid, the funds will be automatically transferred to the firm's Daily Account. Refund requests are made to this account. Firms can view the transfer amount through Transfer Detail.

- **Account Activity Summary** - Displays summary information by date range for payments, transfers and transactions. A beginning and ending account balance is also shown.
- **Deposit Detail** - Displays information by date range about specific deposits to your firm's account.
- **Transfer Detail** - Displays information by date range about specific transfers between accounts (e.g., affiliated firms, transfers between Daily and Renewal Accounts) and firm requested refunds.
- **Transaction Detail** - Displays information by date range about all transactions submitted to Web CRD (e.g., registration fees). It also includes adjustments made to an account. This query does not include items listed in Transfer Detail or Deposit Detail.
- **Bill Line Search** - Allows you to review specific transaction information by charge code, Branch CRD#, CRD Transaction ID and or individual CRD number.

Payment Methods

There are four payment methods for funding your Daily or Renewal Account:

1. Web CRD/IARD E-Pay
2. Check or money order
3. Wire payments
4. Transfer from an affiliated firm account, or transfers between the Daily and Renewal Accounts

Payment Addresses for the Daily Account

All check or money order payments should be made out to FINRA and sent directly to FINRA at the following addresses:

For US Mail Delivery:

FINRA
P.O. BOX 7777-W9995
Philadelphia, PA 19175-9995

Note: This address will not accept courier or overnight deliveries.

For Express Delivery:

FINRA
Attn: 9995
500 Ross Street 154-0455
Pittsburgh, PA 15262

Provide the following phone number if one is required for the recipient: 301-869-6699

For Wire Payments:

Instruct your firm's bank to contact **Mellon Financial, Philadelphia, PA**

Provide your bank the following information to initiate the wire transfer:

ABA number: **031 000 037**

Beneficiary: **FINRA**

FINRA Account Number: **8-234-353**

Reference Number: **Firm Web CRD number**

NOTE: Remember to inform your bank that funds are to be credited to FINRA's bank account and to use the firm's Web CRD Number as a reference number only.

Payment Addresses for the Renewal Account

All check or money order payments should be made out to FINRA and sent directly to FINRA at the following addresses:

For US Mail Delivery:

FINRA
P.O. Box 7777-W8705
Philadelphia, PA 19175-8705

Note: This address will not accept courier or overnight deliveries.

Generally an addressed renewal payment envelope is included in a communication from FINRA's Registration and Disclosure Department. Please use this envelope for mailing your check or money order.

For Express Delivery:

FINRA
Attn: 8705
500 Ross Street 154-0455
Pittsburgh, PA 15262

Provide the following phone number if one is required for the recipient: (301) 869-6699.

For Wire Payments:

Instruct your firm's bank to contact **Mellon Financial, Philadelphia, PA**
Provide your bank the following information to initiate the wire transfer:
ABA number: **031 000 037**
Beneficiary: **FINRA**
FINRA Account Number: **8-234-353**
Reference Number: **Firm Web CRD number and the word "Renewals"**

NOTE: Remember to inform your bank that funds are to be credited to FINRA's bank account and to use the firm's Web CRD Number as a reference number only.

Web CRD & IARD E-Pay

Firms can make electronic payments to fund their Daily and/or Renewal Accounts with FINRA through an online application, Web CRD/IARD E-Pay. Firms can authorize electronic payment directly from its designated bank account to the firm's Daily and/or Renewal Accounts. FINRA will not charge firms any fees for utilizing Web CRD/IARD E-Pay; however, firms should verify with their banks whether ACH transaction fees will be assessed by the bank for using Web CRD/IARD E-Pay. Firms will still have the option of funding their Daily and/or Renewal Accounts by either check or wire transfer.

The Web CRD/IARD E-Pay payment method is made available through a link accessible on either of the following Web Sites: **FINRA Web Site at:** *http://www.finra.org* , *Regulatory Systems > Web CRD > Fees and Accounting,* or the **IARD Web Site at:** *http://www.iard.com*. Firms can also link to the Web CRD/IARD E-Pay Web Site directly through the tool bar on all the Accounting screens in Web CRD. During the Renewal Program, firms can link to the Web CRD/AIRD E-Pay Web Site directly through a link accessible on the Preliminary or Final Renewal Statement.

Firms can establish an E-Pay User ID and set an E-Pay Password by completing a simple online Enrollment Form available through the Web CRD/IARD E-Pay application. A user may view all E-Payments submitted by him/her in the past 180 days. E-Pay History information will include: Confirmation Number, Firm CRD#, E-Payment Date, Account Type (Daily or Renewal), Total Payment Amount. Firms can update their own E-Pay User Profile information, including updated or changed bank account information and contact information. Firms can reset a forgotten password or change an E-Pay Password at any time.

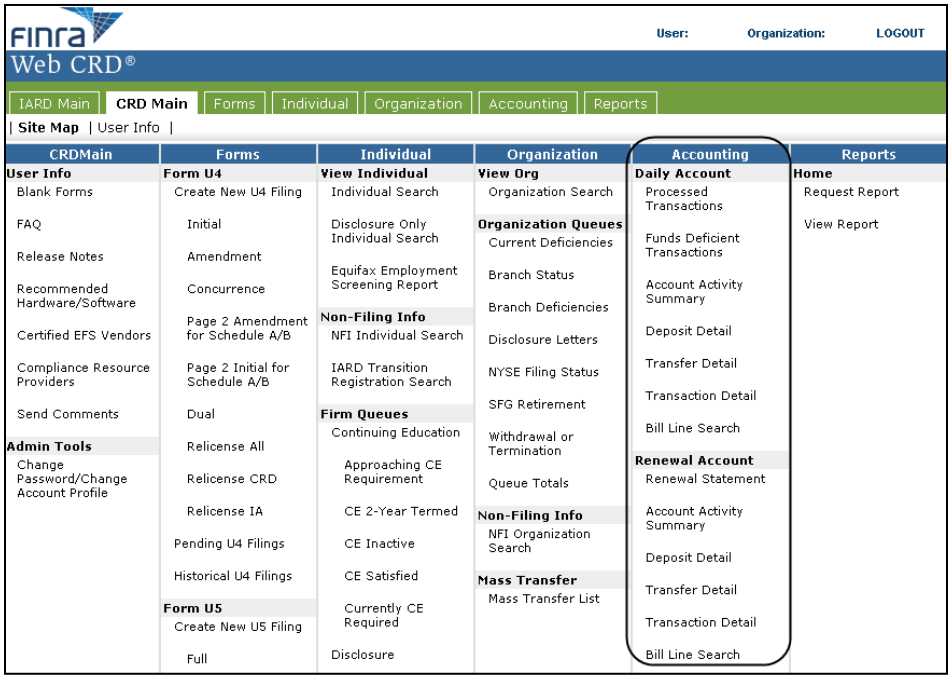
E- payments that are submitted by 8:00 p.m., Eastern Time, should be posted within two business days to the firm's Daily and/or Renewal Accounts with FINRA.

Steps for Accessing Daily and Renewal Account Information:

Access Account

There are two ways to access **Daily** and **Renewal Accounts**:

1. From the Web CRD Site Map, click the desired hyperlink under Daily Account Information or Renewal Account Information. For **Daily Account**: **Processed Transactions** or **Funds Deficient Transactions**. For **Renewal Account**: **Renewal Statement**. For **Daily** and **Renewal Accounts: Account Activity Summary**, **Deposit Detail**, **Transfer Detail**, **Transaction Detail** or **Bill Line Search**.

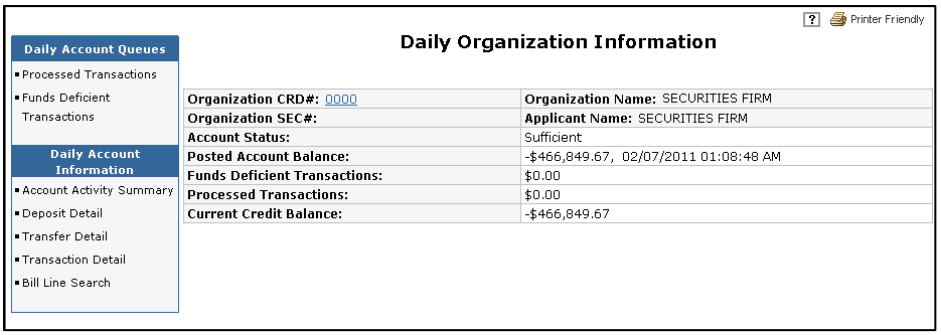


OR

1a. Click the **Accounting** Tab from the Tool Bar, choose **Daily Account** or **Renewal Account** from the Sub-Menu and click **Processed Transactions**, **Funds Deficient Transactions**, **Account Activity Summary**, **Deposit Detail**, **Transfer Detail**, **Transaction Detail**, **Bill Line Search** or **Renewal Statement** form the Navigation Bar or Footer.

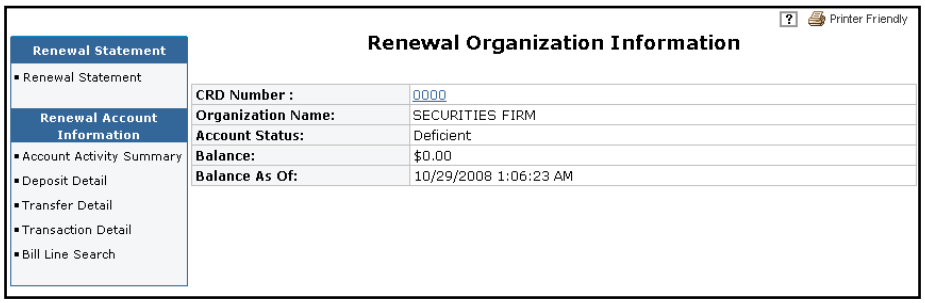
[Result:] The *Daily Organization Information* or the *Renewal Account Information* screen opens depending on the account type selected above.

Daily Account Information screen:



Access Account (Continued)

Renewal Account Information screen:



2. Click the desired **Renewal Account Information** or **Daily Account Information** section from the Navigation Bar.

NOTE: Your firm's Account Status and Balance for the Daily or Renewal Accounts can be viewed on all Accounting screens.

Define Search Parameters

Result:] Depending on the section chosen, a search screen opens. Below is an example of a *Transaction Detail Search* screen.

NOTE: The search screen is the same for **Account Activity Summary**, **Deposit Detail**, **Transfer Detail** and **Transaction Detail**. The search screen for Bill Line Search contains additional search parameters. See steps 1 through 9 on pages 14-11 through 14-13 of Steps for Accessing Bill Line Search.

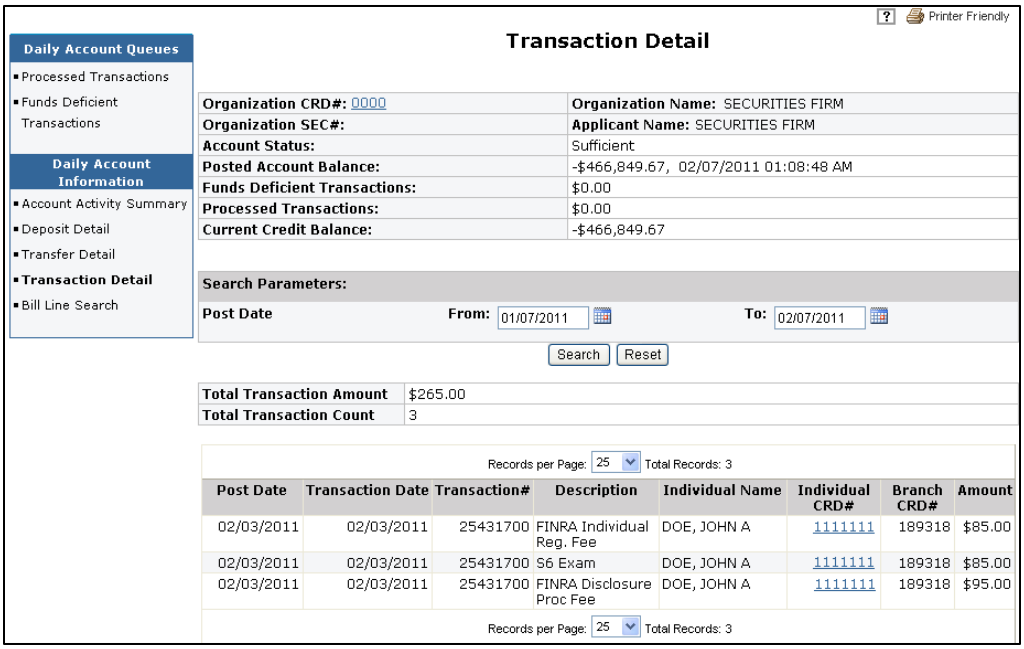
3. If searching by date range different than system default, type a date range in the **From Post Date** and **Thru Post Date** fields.

NOTE: All Accounting search date ranges are limited to 31-day increments. For one-day searches, enter the same date in the From Post Date and the Thru Post Date fields. Date ranges cannot be more than 13 months in the past.

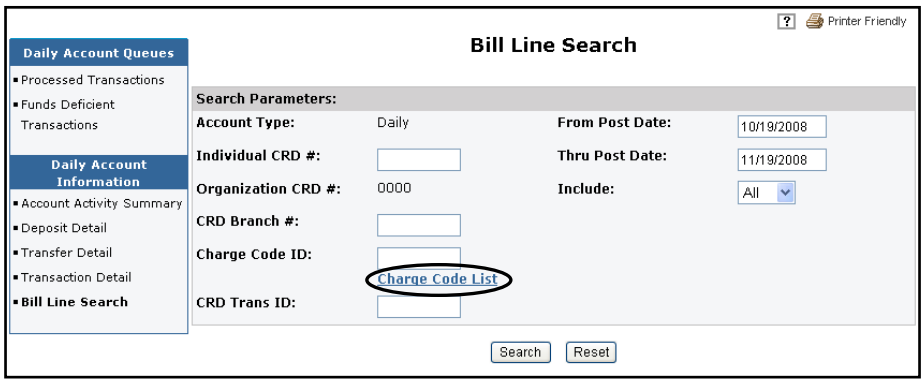
4. Click the **Search** button.

View Account Transactions

[Result:] The *Transaction Detail* screen opens.

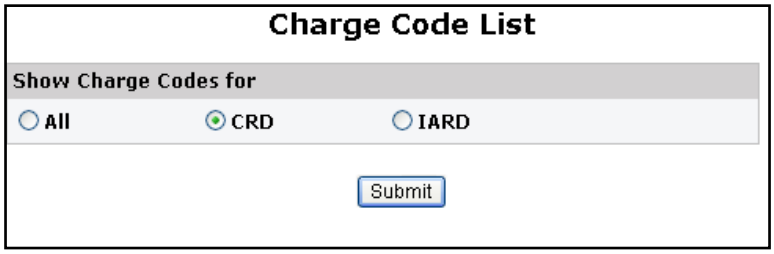


Steps for Accessing Bill Line Search:

Access Bill Line Search	1. To access Daily or Renewal Account Information, see steps 1 or 1a on page 14-7 of Steps for Accessing Daily and Renewal Accounts.
Define Search Parameters	2. Click **Bill Line Search** from the Navigation Bar. **[Result:]** The *Bill Line Search* screen opens.  **NOTE**: If searching by date range different than system default, type a date range in the **From Post Date** and **Thru Post Date** fields. All Accounting search date ranges are limited to 31-day increments. For one-day searches, enter the same date in the From Post Date and the Thru Post Date fields. 3. Click the **Include:** drop-down arrow and choose **All** or **Web CRD**. 4. If searching by the individual's Web CRD#, type the Web CRD# in the **Individual CRD #** field and click the **Search** button. **<u>OR</u>** 4a. If searching by the Web CRD Trans ID#, type the Transaction ID# in the field and click the **Search** button. 5. If searching by Branch CRD#, type the Branch CRD# in the field as well as an Individual CRD # or Charge Code # or Transaction ID and click the **Search** button. 6. If searching by the Charge Code ID, click the drop-down arrow for **Include** and choose **All** or **Web CRD** fee types. 7. Click the **Charge Code List** hyperlink.

Define Search Parameters (Continued)

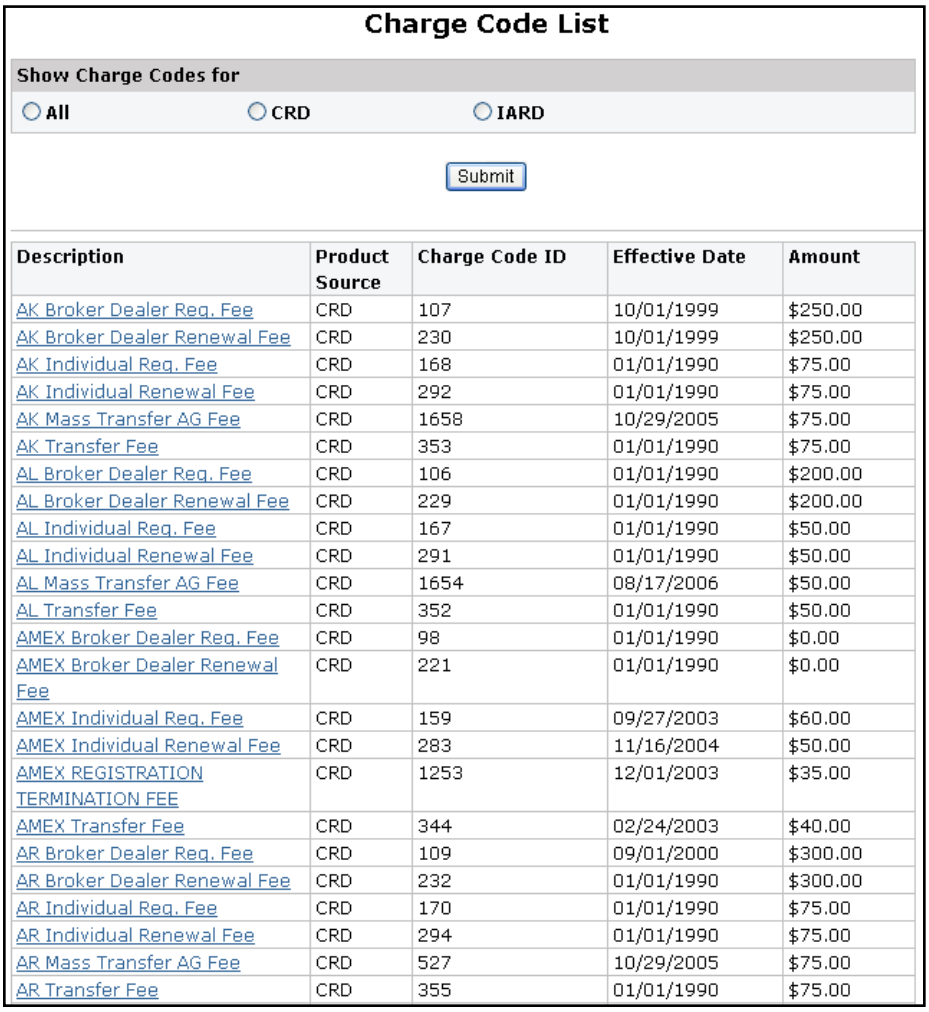
[Result:] The *Charge Code List* screen opens in a second browser.



6. Click the **All** or **CRD** radio button.

7. Click the **Submit** button.

[Result:] The *Charge Code List* screen expands displaying an alphabetical list of all state and SRO fees.



Charge Code List

Show Charge Codes for

All CRD IARD

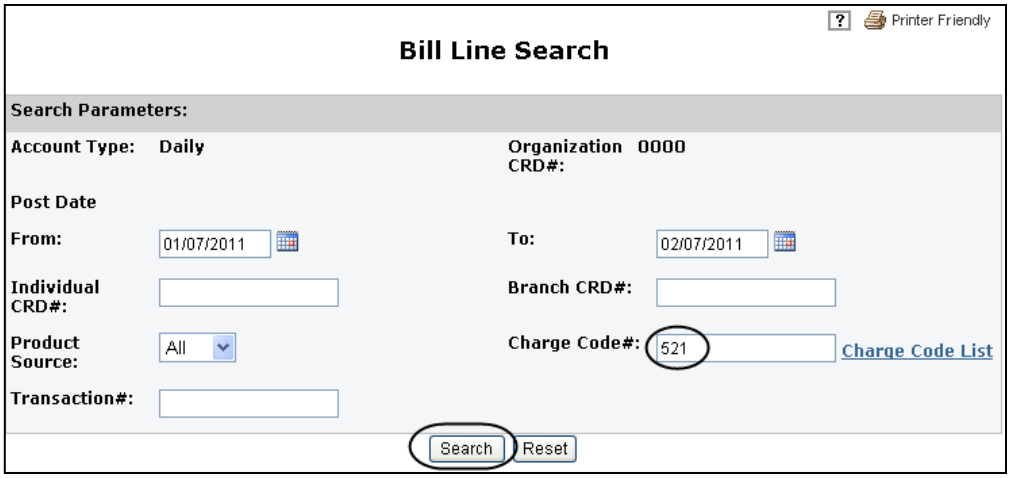
Submit

Description	Product Source	Charge Code ID	Effective Date	Amount
AK Broker Dealer Reg. Fee	CRD	107	10/01/1999	$250.00
AK Broker Dealer Renewal Fee	CRD	230	10/01/1999	$250.00
AK Individual Reg. Fee	CRD	168	01/01/1990	$75.00
AK Individual Renewal Fee	CRD	292	01/01/1990	$75.00
AK Mass Transfer AG Fee	CRD	1658	10/29/2005	$75.00
AK Transfer Fee	CRD	353	01/01/1990	$75.00
AL Broker Dealer Reg. Fee	CRD	106	01/01/1990	$200.00
AL Broker Dealer Renewal Fee	CRD	229	01/01/1990	$200.00
AL Individual Reg. Fee	CRD	167	01/01/1990	$50.00
AL Individual Renewal Fee	CRD	291	01/01/1990	$50.00
AL Mass Transfer AG Fee	CRD	1654	08/17/2006	$50.00
AL Transfer Fee	CRD	352	01/01/1990	$50.00
AMEX Broker Dealer Reg. Fee	CRD	98	01/01/1990	$0.00
AMEX Broker Dealer Renewal Fee	CRD	221	01/01/1990	$0.00
AMEX Individual Reg. Fee	CRD	159	09/27/2003	$60.00
AMEX Individual Renewal Fee	CRD	283	11/16/2004	$50.00
AMEX REGISTRATION TERMINATION FEE	CRD	1253	12/01/2003	$35.00
AMEX Transfer Fee	CRD	344	02/24/2003	$40.00
AR Broker Dealer Reg. Fee	CRD	109	09/01/2000	$300.00
AR Broker Dealer Renewal Fee	CRD	232	01/01/1990	$300.00
AR Individual Reg. Fee	CRD	170	01/01/1990	$75.00
AR Individual Renewal Fee	CRD	294	01/01/1990	$75.00
AR Mass Transfer AG Fee	CRD	527	10/29/2005	$75.00
AR Transfer Fee	CRD	355	01/01/1990	$75.00

Define Search Parameters (Continued)

8. Click a **Description** hyperlink.

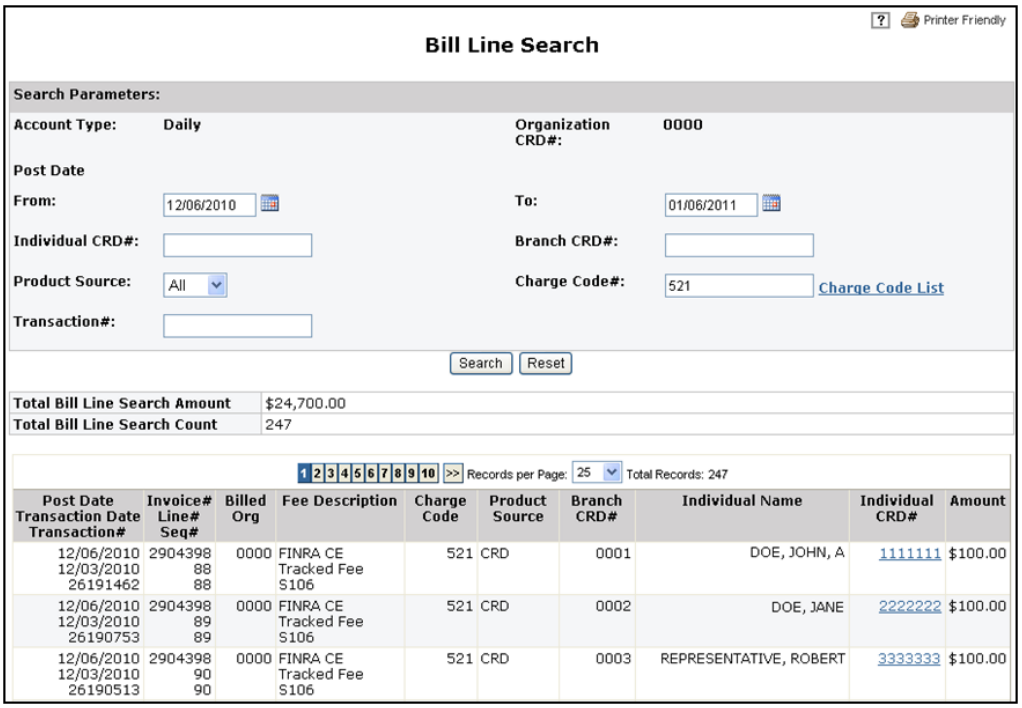
[Result:] The *Charge Code List* screen closes and the *Bill Line Search* screen re-opens with the **Charge Code ID** field populated.



9. Click the **Search** button.

View Bill Line Search Transactions

[Result:] The *Bill Line Search* screen opens depicting the requested transaction(s).

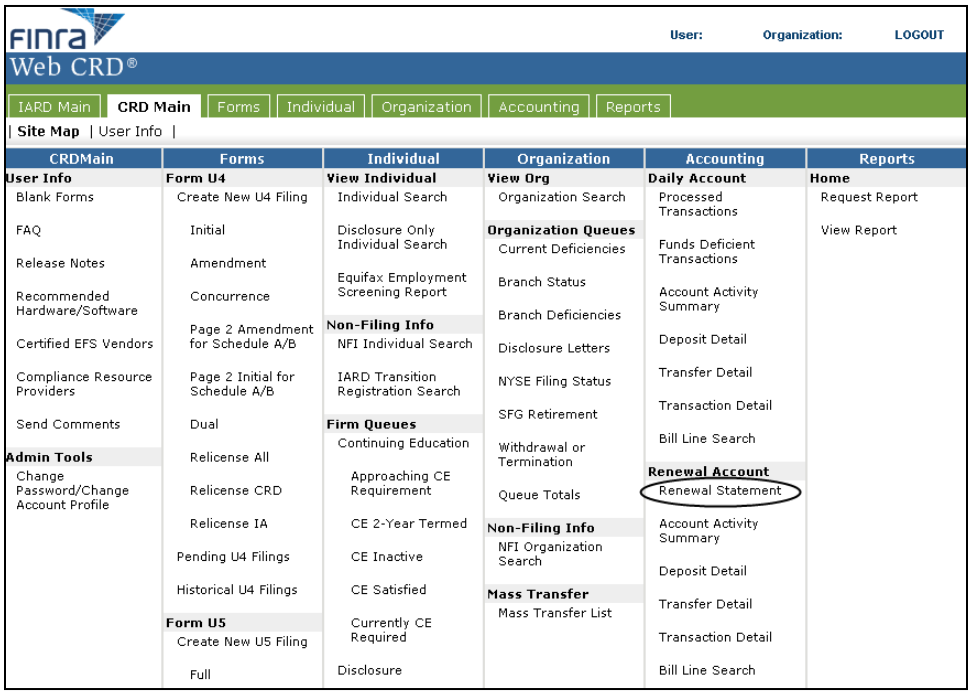


Steps for Accessing Preliminary and Final Renewal Statement:

Access Statements

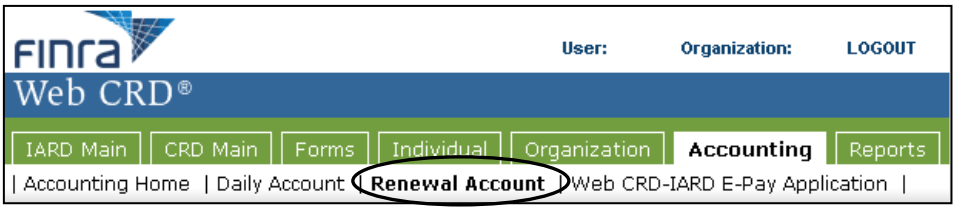
There are two ways to access the Preliminary and Final Renewal Statements:

1. From the Web CRD Site Map, click the **Renewal Statement** hyperlink.



OR

1a. Click the **Accounting Tab** from the Tool Bar, choose **Renewal Account** from the Sub-Menu and click **Renewal Statement** from the Navigation Bar.



Access Statements (Continued)

[Result:] The Preliminary or Final Renewal Statement opens.

Example of Parts of a Final Renewal Statement:

Summary Renewal Fees:

Summary	
CRD Charges	$6,092.00
IARD Charges	$3,195.00
Branch Charges	$0.00
Total Charges:	**$9,287.00**
Amount Due:	**$9,287.00**

CRD Charges:

CRD Charges

Charge	Quantity	Unit Price	Amount
Renewal/Maintenance Fees (Jurisdictions, SROs)	1		$5,942.00
FINRA System Processing Fee:	5	$30.00	$150.00
FINRA System Processing Fee at no charge:	0	$0.00	$0.00
FINRA Renewal Payment Late Fee:	0		$0.00
Total CRD Charges:			$6,092.00

NOTE: FINRA's Renewal Payment Late Payment Fee line appears only on the Final Renewal Statement

Specific Regulator Renewal Fees:

Regulator	# of Individuals	Individual Fee	Total Individual	Firm Fee	Regulator Total
AZ	1	$40.00	$40.00	$300.00	$340.00
CA	2	$0.00	$0.00	$75.00	$75.00
CO	0	$8.00	$0.00	$50.00	$50.00
CT	1	$50.00	$50.00	$150.00	$200.00
DE	1	$50.00	$50.00	$250.00	$300.00
FL	2	$50.00	$100.00	$200.00	$300.00

Branch Fees:

Branch Charges

Charge	Quantity	Unit Price	Amount
Renewal/Maintenance Fees (Jurisdictions, SROs)	0		$0.00
FINRA Branch Renewal Registration Fees:	0	$75.00	$0.00
FINRA Branch Renewal Registration Fees - Waived:	1	$0.00	$0.00
FINRA Branch Renewal Registration Fees at no charge:	0	$0.00	$0.00
FINRA Branch Renewal Processing Fees:	0	$20.00	$0.00
FINRA Branch Renewal Processing Fees - Waived:	1	$0.00	$0.00
Branch Renewal Processing Fees:	0	$20.00	$0.00
Total Branch Charges:			$0.00

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Access Statements (Continued)

Specific Regulator Branch Fees

Regulator	# of BD Branches	BD Branch Fee	# of Branches with IA Fee	IA Branch Fee	# of Branches with IA Discount Fee	IA Branch Discount Fee	Regulator Total
AZ	0	$0.00	0	$0.00	0	$0.00	$0.00
CA	0	$0.00	0	$0.00	0	$0.00	$0.00
CO	0	$0.00	0	$0.00	0	$0.00	$0.00
CT	0	$0.00	0	$0.00	0	$0.00	$0.00
DE	0	$0.00	0	$0.00	0	$0.00	$0.00
FL	0	$100.00	0	$100.00	0	$100.00	$0.00
IL	0	$0.00	0	$0.00	0	$0.00	$0.00
IN	0	$0.00	0	$0.00	0	$0.00	$0.00
KS	0	$0.00	0	$0.00	0	$0.00	$0.00

NOTE: You can make electronic payments to fund your Daily and/or Renewal Accounts with FINRA through an online application, Web CRD/IARD E-Pay. Refer to the Web CRD/IARD E-Pay web page located at **http://www.finra.org**: Regulatory Systems > CRD > Web CRD IARD E-Pay for more information. If you are paying by check, print a copy of your Preliminary or Final Renewal Statement and attach it to your check.

Tips for Accounting

- For firms in a Simultaneous Filing Group, the primary firm is charged with the form filing fees and fingerprint fees.
- For firms that have affiliated firms, please send in separate checks for your firm and your affiliate firm (do not send one check for two different accounts).
- Some charges appear as duplicate charges, for example, the Series 7 has a FINRA Development fee of $90 and a NYSE fee of $110. Note that this is a one-time charge of $200 for the exam.
- Fingerprint Card Fees are assessed at two different times as follows:
    - The FBI Fee is assessed when the FBI result (i.e., disposition) is received from the FBI and posted to Web CRD.
    - FINRA's Fingerprint Card Processing Fee is assessed when the fingerprint card is received and that received status is posted to Web CRD.
- Visit the Web CRD web site at http://www.finra.org: Regulatory Systems > Web CRD > Fees and Accounting for a list of state and SRO registration fees and FINRA, fingerprint and examination fees.
- Renewal Program tips:
    - The following reports can assist you with the renewals process:
        - Firm Renewal Report: Lists individuals included in Renewal processing and includes Billing Codes and Branch Numbers.
        - FINRA Branch Renewal Report: Lists all of a firm's branches for renewal purposes. The report displays CRD and NYSE branch code numbers, firm billing code numbers, branch address, branch district, type of registration (BD, IA or BD/IA) and the total number of branches for each regulator with applicable fees.
        - Approved AG Regs without FINRA Approval: Lists all individuals who are not registered with FINRA but are registered with one or more jurisdictions. This report should be used to determine if any FINRA registrations should be requested or jurisdictions terminated.
    - Renewal Statements are not mailed to your firm. Your firm's Preliminary Renewal Statement is available to you online through Web CRD, generally in the first week of November.
    - During the Renewal Program, firms can submit post-dated withdrawal form filings (e.g., Full or Partial Form U5, Full or Partial BDW, Form BR Closing/Withdrawal) with a termination date of 12/31 for that year.
    - Firms should pay the full amount of their Preliminary Renewal Statement by the published due date, even if the firm has submitted post-dated filings during the Renewal Program cycle. Any overpayments are automatically transferred to the firm's Daily Account, generally in the first week of January.