

Depositing Funds into Retail and Retirement Accounts

REFERENCE MATERIAL

August 2019



FOR PROFESSIONAL USE ONLY. NOT FOR DISTRIBUTION TO THE PUBLIC.

©2019 Pershing LLC. Pershing LLC, member FINRA, NYSE, SIPC, is a subsidiary of The Bank of New York Mellon Corporation (BNY Mellon). For professional use only. Not intended for use by the general public. Pershing does not provide investment advice. Trademark(s) belong to their respective owners. Release dates are for informational purposes only and are subject to change.

Table of Contents

1. Depositing Funds Into Retail Brokerage Accounts.....	2
ACH Funds	2
Direct Deposit	2
Retail Deposit Lockbox	3
Pershing Regional Locations	3
Local Deposit/Mobile Deposit	4
Fed Funds Wire	4
Acceptable Retail Check Deposits	4
Unacceptable Retail Deposits	4
Availability of Funds.....	5
Holding Period.....	5
2. Depositing Funds Into Retirement Accounts	6
ACH Funds	6
Rollover and Transfer Lockboxes.....	6
Pershing Regional Locations	6
Local Deposit/Mobile Deposit	7
Acceptable Retirement Check Deposits.....	7
Unacceptable Retirement Check Deposits	7

1. Depositing Funds Into Retail Brokerage Accounts

Your clients can select from a variety of options to deposit funds into their retail (non-retirement) brokerage accounts:

- Automated Clearing House (ACH) Funds
- Direct deposit
- Lock boxes
- Pershing regional locations
- Local deposit/Mobile deposit
- Federal funds wire (fed funds)

Note: This document replaces Bulletin 2009-32 and provides the most current policy for retail account check deposits. Refer to the Securities and Exchange Commission (SEC) Rule 15c3-1 for more information on these requirements.

ACH Funds

A client can establish instructions to initiate periodic deposits from a checking or savings account into a retail brokerage account via ACH on a predetermined frequency, such as semi-monthly, monthly, or annually. Due to rescission risk, periodic deposits are generally limited to no more than \$10,000 per month.

Clients who purchase load and no-load mutual funds through the Systematic Reinvestment System (SRS) can also establish instructions to pay for these trades via ACH. Once these instructions are approved, Pershing will automatically initiate ACH debits to the client's checking account on the day before settlement date to pay for the mutual fund purchase.

Note: All ACH instructions are account-level instructions that must be approved by Pershing prior to being available for use. Approval requires an ACH Authorization Agreement (FRM ACH), signed by all parties and provided to Pershing with a voided check or similar supporting bank documentation attached. To access the ACH Authorization Agreement for your clients, go to NetX360 Resources (click **Resources** > **Resources Home** and enter keywords **ACH agreement**).

Direct Deposit

Direct Deposit is used to transfer your clients' salary checks, government checks, pension income, and dividends on mutual funds and other securities held outside of Pershing to their retail brokerage accounts. To establish direct deposit for an account, a client must complete and forward a Direct Deposit Authorization Form (FRM DDAUTH) to the appropriate paying agent. To access the Direct Deposit Authorization Form, go to NetX360 Resources (click **Resources** > **Resources Home** and enter keywords **direct deposit**).

Retail Deposit Lockbox

Via U.S. Mail

Client checks can be sent via regular U.S. mail for deposit into a retail brokerage account. Checks should be sent to:

Pershing LLC
PO Box 382121
Pittsburgh, Pennsylvania 15250-8121

Via Overnight Mail

Client checks via overnight mail should be addressed to:

Pershing LLC
Attn: 382121
500 Ross Street 154-0455
Pittsburgh, Pennsylvania 15262-0001

Always include the Pershing account number on the face of each check. To view check image copies of all deposits, display the desired account and select the Documents tab.

Pershing Regional Locations

You can forward your clients' checks for deposit to their retail brokerage accounts directly to Pershing via overnight mail delivery using the light green color-coded envelope (ENV CP) and delivering it to one of the following regional locations:

Pershing LLC
One Pershing Plaza - Attn: M Desk Dep't
Jersey City, New Jersey 07399

Pershing LLC
300 Colonial Center Parkway Suite 400
Attn: M Desk
Lake Mary, Florida 32746

Note: Checks for deposit into retirement accounts where Pershing LLC is the custodian or servicing agent **must be sent separately and clearly addressed to the attention of Retirement Account Processing.** Follow the retirement account delivery instructions on page 6 to ensure proper handling of your clients' check deposits. Failure to follow the instructions will result in processing delays. Pershing will continue to use our lockbox facilities as an extension of the Money Desk Department to expedite processing and to leverage image capabilities.

Local Deposit/Mobile Deposit

Contact your Account Manager to discuss the option of establishing local deposit or mobile deposit for your firm. Local deposit/mobile deposit requests are reviewed on a case-by-case basis to ensure they meet Pershing's requirements.

Fed Funds Wire

Clients may send a U.S. dollar fed funds wire using the following wiring instructions:

BANK	The Bank of New York Mellon
ABA NUMBER	021000018
BENEFICIARY	Pershing LLC
BENEFICIARY ACCOUNT NUMBER	8900512385
ULTIMATE BENEFICIARY	Client's brokerage account name
ULTIMATE BENEFICIARY ACCOUNT NUMBER	Client's brokerage account number For example, 123-456789-1
SWIFT CODE	IRVTUS3N

Acceptable Retail Check Deposits

The following are acceptable check deposits for retail accounts:

- Personal checks drawn on domestic banks, payable to either Pershing or your firm (first-party checks).
 - To deposit this type of check to your client's brokerage account, the account title and the check maker's title must match.
- Checks drawn on joint checking accounts – this type of check may be deposited into a brokerage account held by either joint account holder.
- Checks drawn on bank accounts of any other party made payable to the client, or payable to Pershing for the benefit of the client, or payable to your firm for the benefit of the client (second-party checks) that are deposited into the client's brokerage account.

Note: The Pershing account number should be indicated on the face of the check. Pershing reserves the right to reject checks, or to request additional information regarding checks, before or after deposit. You should always review your client's deposits to identify the source of funds.

Unacceptable Retail Deposits

The following are unacceptable deposits for retail accounts:

- Checks with double endorsements (third-party checks)
- Third-party checks where the intended beneficiary on the payee line doesn't match the account to be credited.
- Cash, money orders, and travelers' checks
- Checks made payable to cash
- Bank, official, teller, or counter checks (non-personal) under \$10,000.
 - Bank checks under \$10,000 issued by Federal Credit Unions are acceptable for deposit into all accounts since Federal Credit Unions will only issue checks drawn from a member's account at the Credit Union.
- Checks drawn on non-U.S. banks
- Checks drawn in a currency other than U.S. dollars
- Checks made payable to Pershing or your firm, where the maker of the check is not identical to the owner of the brokerage account, and the beneficiary is either not specified on the payee line, or if specified, does not match the title on the account. Refer to SEC Rule 15c3-1 for more information
- Checks drawn against lines of credit (such as Discover®, Visa®, or home equity loans)
- Checks previously returned due to insufficient funds
- Checks missing information (i.e. signature, date, etc.)
- Checks with different written and numeric dollar amounts.

Note: Your firm will be notified via Service Center and NETX IBD Quality Reject when a check is rejected. Depending on your firm's instructions, the check will be returned to either your firm or to your client.

Availability of Funds

Funds deposited into retail accounts are held for a period of time before any withdrawals can occur. During this holding period, both the amount of the funds and the equity fields (equity, liquidation equity and net worth, which are updated by the amount of the deposit, as well as by the amounts in the balance fields) will be displayed in the Balances page in NetX360. The funds can be used for purchases, or will be swept automatically into a money market fund or FDIC-insured bank deposit program, and will be reflected in the trade settlement balances.

Holding Period

A holding period ensures that client deposits will clear the bank before any withdrawals can occur. Although most checks clear, there is no guarantee that all checks will clear within a specified timeframe. Some checks may take longer to clear due to normal delays in the bank clearing process, or may be returned due to insufficient funds, fraudulent activity, or other reasons.

Note: Losses incurred from returned checks, regardless of when they are returned or why they are returned, are your firm's responsibility.

2. Depositing Funds Into Retirement Accounts

Your clients can select from a variety of options to make deposits into retirement accounts where Pershing LLC is the custodian or servicing agent:

- Automated Clearing House (ACH) Funds
- Lock Boxes
- Pershing Regional Locations
- Local Deposit/Mobile Deposit

ACH Funds

Your clients can establish instructions to initiate periodic deposits from their checking or savings account into their retirement account via ACH on a predetermined frequency, such as semi-monthly, monthly, or annually. Eligible contribution types can be found when setting up ACH instructions in Asset Movement. Due to rescission risk, periodic deposits are generally limited to no more than \$10,000 per month or up to the plan contribution limit.

Note: All ACH instructions are account-level instructions that must be approved by Pershing prior to being available for use. Approval requires an ACH Authorization Agreement (FRM ACH) signed by all parties and provided to Pershing with a voided check or other similar supporting bank documentation attached. To access the ACH Authorization Agreement for your clients, go to NetX360 Resources (click **Resources** > **Resources Home** and enter keyword **ACH agreement**).

Rollover and Transfer Lockboxes

Mail retirement account rollover deposits to the following lockbox location:

Pershing LLC - Rollover Processing
P.O. Box 382084
Pittsburgh, Pennsylvania 15250-8084

Mail retirement account transfer deposits to the following lockbox location:

Pershing LLC - Transfer Processing
P.O. Box 382091
Pittsburgh, Pennsylvania 15250-8091

Always include the Pershing account number and contribution type on the face of each check.

Pershing Regional Locations

You can forward your clients' checks for deposit to their retirement accounts directly to Pershing using the red color-coded envelope (EVS RET) and delivering it to the attention of Pershing's Retirement Account Processing at:

Pershing LLC
One Pershing Plaza - Retirement Account Processing
Jersey City, New Jersey 07399

Pershing LLC
300 Colonial Center Parkway Suite 400
Attn: Retirement Account Processing
Lake Mary, Florida 32746

Always include the Pershing account number, contribution type and year on the face of each check. Contributions that do not indicate the contribution year will be processed as current year contributions.

Note: Pershing will continue to use our lockbox facilities as an extension of the Money Desk to expedite processing and to leverage image capabilities.

Local Deposit/Mobile Deposit

Contact your Account Manager to discuss the option of establishing local deposit or mobile deposit for your firm. Local deposit/mobile deposit requests are reviewed on a case-by-case basis to ensure they meet Pershing's requirements.

Acceptable Retirement Check Deposits

The following are acceptable check deposits for retirement accounts:

- Personal checks drawn on domestic banks, payable to either Pershing or your firm (first-party checks).
 - To deposit this type of check to your client's brokerage account, the account title and the check maker's title must match.
- Checks drawn on joint checking accounts—this type of check may be deposited into a brokerage account held by either joint account holder.
- Checks drawn on bank accounts of any other party made payable to the client, or payable to Pershing for the benefit of the client, or payable to your firm for the benefit of the client (second-party checks) that are deposited into the client's brokerage account.

Note: The Pershing account number should be indicated on the face of the check. Pershing reserves the right to reject checks, or to request additional information regarding checks, before or after deposit. You should always review your client's deposits to identify the source of funds.

Unacceptable Retirement Check Deposits

The following are unacceptable check deposits for retirement accounts:

- Checks with double endorsements (third-party checks)
- Third-party checks where the intended beneficiary on the payee line doesn't match the account to be credited.

2. DEPOSITING FUNDS INTO RETIREMENT ACCOUNTS

- Cash, money orders, and travelers' checks
- Checks made payable to cash
- Bank, official, teller, or counter checks (non-personal) under \$10,000.
 - Bank checks under \$10,000 are acceptable as Rollovers and Transfers into Retirement accounts. Bank Checks under \$10,000 for all other contributions to retirement accounts will require that you verify and provide the source of funds.
 - Bank checks under \$10,000 issued by Federal Credit Unions are acceptable for deposit into all accounts since Federal Credit Unions will only issue checks drawn from a member's account at the Credit Union.
- Checks drawn on non-U.S. banks
- Checks drawn in a currency other than U.S. dollars
- Checks made payable to Pershing or your firm, where the maker of the check is not identical to the owner of the brokerage account, and the beneficiary is either not specified on the payee line, or if specified, does not match the title on the account. Refer to SEC Rule 15c3-1 for more information
- Checks drawn against lines of credit (such as Discover®, Visa®, or home equity loans)
- Checks previously returned due to insufficient funds
- Checks missing information (i.e. signature, date, etc.)
- Checks with different written and numeric dollar amounts

Note: Your firm is notified via Service Center and NETX IBD Quality Reject when a check is rejected. Depending on your firm's instructions, the check will be returned either to your firm or to your client.