

# Cost Basis Reporting Assessment Program

A Scivantage® and Jordan & Jordan Service

As the industry quickly moves toward year-end reporting, 1099 distribution, and the implementation of Phase Two tax reporting requirements, many financial institutions are finding it difficult to stay ahead of the ever-growing complexities of the new cost basis reporting requirements. The regulations go far beyond simple basis calculations, requiring firms to drastically modify and enhance existing systems and processes. From internal workflows and policies to client education and reconciliation with books and records, financial institutions have been tasked with a heavy burden in order to comply. Failure to comply with even a single component of the new cost basis regulations could result in significant regulatory penalties and unhappy customers. *How prepared is your firm?*

## SEVEN-POINT COMPLIANCE ASSESSMENT TO VALIDATE PREPAREDNESS

Combining years of cost basis, brokerage processing and business strategy expertise, Scivantage® and Jordan & Jordan have partnered to offer the Cost Basis Reporting Assessment Program™, a premium service designed to analyze and evaluate a financial institution's cost basis program. This unique approach leverages extensive cost basis experience and domain expertise to assist financial institutions in identifying operational issues and addressing regulatory concerns to ensure greater client satisfaction, reduced penalty exposure and improved efficiency in years two and three implementations.

A multi-faceted evaluation, the Cost Basis Reporting Assessment Program examines seven key aspects and analyzes critical touch points of a firm's cost basis activities, processes and documentation, including:

- Cost Basis engine and systems integration
- Workflow, resources and customer support processes
- Client experience and communication
- Training needs
- Policies, procedures and documentation
- Understanding of activity metrics
- Rules compliance and state of readiness for phase 2 and 3

## PROGRAM FLEXIBILITY TO MEET YOUR SPECIFIC BUSINESS NEEDS

The Cost Basis Assessment Program can be tailored to meet your specific business needs and objectives. Whether you choose the comprehensive, on-site assessment, select only a portion of the program, or prefer to leverage our self-assessment templates, you can be confident that your firm is better positioned to tackle all facets of the reporting requirements.

## KEY BENEFITS

- Mitigate operational and business risks, and avoid penalties
- Validate cost basis strategy and solidify processes and systems
- Turn cost basis reporting into a revenue generator and a strategic strength
- Examine current state of preparedness through real-time progress report
- Improve efficiency of Phase Two and Phase Three implementation
- Enhance the overall client experience and ensure high-quality service



## ON-SITE REVIEW LEVERAGES SUBJECT MATTER AND TECHNOLOGY EXPERTISE

Through a comprehensive, on-site review of a financial institution's cost basis ecosystem, the Cost Basis Reporting Assessment Program addresses the complex challenges of accurate cost basis reporting (CBR) to ensure preparedness for the new regulatory requirements. Utilizing unique online and on-site tools, a team comprised of cost basis experts from Scivantage and Jordan & Jordan will work with your internal teams to diagnose CBR gaps and outstanding issues, measure the use of strategic assets (people, technology, information) and make recommendations to mitigate risk. The result is a real-time progress report on how well your firm has implemented Phase One of the regulation for equities, and a tactical analysis of how prepared your firm is to meet future reporting requirements for mutual funds, fixed income and options.

The program offers a template-driven approach to help you identify problem areas and address issues in the most efficient and timely manner possible. The seven-point assessment begins with a complete review of the functional areas and staff most exposed to your customer base—ensuring internal groups and critical support areas are fully prepared, especially to handle year-end reporting and tax season challenges. In parallel, the program provides a thorough evaluation of your cost basis engine and technology systems integration, as well as a review of all policies, procedures and documentation related to cost basis reporting. Our review process enables a firm to detect deficiencies so they can be addressed and provides direct access to subject matter and technology expertise throughout the assessment process.



## SELF-ASSESSMENT OPTION OFFERS QUICK ANALYSIS AND PEACE OF MIND

If your firm is looking for immediate reassurance of your current CBR strategy or simply trying to uncover any last-minute deficiencies, then our Self-Assessment option may be just the answer. This 'do-it-yourself' program option allows your firm to leverage our pre-configured Cost Basis Reporting Assessment templates to analyze and evaluate your firm's overall readiness. Utilizing an abbreviated set of criteria to our on-site review program, the self-assessment workbook offers a checklist of key evaluation areas that can be managed by your in-house teams.

For more information, please contact Mary Lou Von Kaenel at 212-652-4483, email [marylou@jandj.com](mailto:marylou@jandj.com), or visit [www.jandj.com](http://www.jandj.com).