



# IRS Non-Bank Trustee Audit

- What is a NonBank Trustee?
  - Nonbank custodian means **a fund custodian, other than a bank, that meets the criteria of a trustee specified in Section 408(a)(2) of the Internal Revenue Code**, which at its essence is any entity administering IRA accounts and correspondingly reporting 1099/5498
- Is this a normal audit?
  - Yes, IRS periodically selects NBT's for review of processes and reporting.
  - PFA was audited in 2016 for the year ending 12.31.2014
- What are they reviewing?
  - IRS has requested documents regarding business structure, insurances carried, audited financial statements with adequacy of net worth calculation, account values, minutes, summary of 1099-R & 5498's issued and personnel files.
- When will this be completed?
  - Document request was submitted as of July 20, 2022. The IRS will conduct a round of interview with key staff prior to issuing a report. I would target late 2022 early 2023 for a final report.