Model Vendor Due Diligence **Checklist**

These items will vary by type of third party and what sort of risk they represent and what you would reasonably expect a vendor to have, but here's a pretty good list of the items you should consider when performing your vendor due diligence. Remember, however, that vendor management is not just a checklist exercise – you should have an expert review each item for accuracy, timeliness and quality.

FOUNDATIONAL DOCUMENTS

- [ ] Full legal name
- [ ] Address
- [ ] All physical locations
- [ ] Website
- [ ] Ownership structure and affiliated companies
- [ ] Tax ID
- [ ] State of Incorporation
- [ ] Articles of Incorporation
- [ ] Secretary of State Check
- [ ] Business license
- [ ] Certificate of Good Standing
- [ ] Credit report
- [ ] OFAC/PEP checks
- [ ] Any "doing business as" or "also/previously known as" (d/b/a, aka, pka)
- [ ] Picture or Google map view of facility (if required)
- [ ] Conduct check of CFPB Complaint Database and/or Better Business Bureau rating

FINANCIALS

- [ ] Annual report (if publicly traded)
- [ ] 3 years audited financials
- [ ] Accountant's statement

EXAMINATIONS AND REPORTS

- [ ] Reports of internal and external audits
- [ ] Regulatory regional office record of audit reports (FI's must request directly)
- [ ] Information security penetration testing
- [ ] Vulnerability testing
- [ ] Business continuity plan and testing
- [ ] SSAE 18 SOC 1, 2 or 3 and bridge letter, if needed

LICENSES OR PROFESSIONAL CERTIFICATIONS

- [ ] Any required licenses (e.g., state money transmitter license)
- [ ] PCI certification/QSA letter
- [ ] ISO certification
- [ ] Proof of admission to the bar for state practices

INSURANCE

- [ ] General liability
- [ ] Cyber insurance
- [ ] Employee malfeasance
- [ ] Specific insurance standards required by business lines

EDUCATION

- [ ] Biographies of key managers (if needed)
- [ ] Compliance education schedule
- [ ] Change management education schedule

DIAGRAMS

- [ ] Network diagram
- [ ] Data flow diagram, including any third party/fourth party
- [ ] Organization chart of affiliated companies and holding company
- [ ] Organization chart of staff
- [ ] IVR/call routing flows

POLICIES AND PROCEDURES

- [ ] Compliance policies
- [ ] AML detection policies
- [ ] ID Theft Red Flags policy
- [ ] Scripting policy (call centers)
- [ ] Change management policy
- [ ] Data protection/information security policy
- [ ] Business continuity plan (including pandemic policy)
- [ ] Record retention/data destruction policy
- [ ] Hiring policy
- [ ] Drug testing policy
- [ ] Background check policy
- [ ] Media policy
- [ ] Vendor management policy
- [ ] Complaint management policy

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SAVE CHECKLIST **PRINT** CHECKLIST

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