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| --- | --- | --- | --- |
| **Procedure Name:** | **Systematic Distribution**  **(Qualified Account)** | **A picture containing text, clipart  Description automatically generated** | |
| **Department:** | Investment Team |
| **Effective Date:** | 11/14/2022 | **Author:** | Katie Weinschenk |

**Description**

A systematic distribution is money sent from an investment account to a bank account or via check automatically at regular intervals. We use the following steps to enter the instructions in a Pershing account.

**Assumptions**

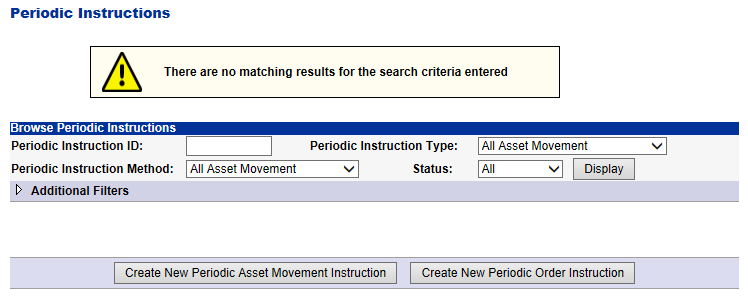
N/A

**Procedure**

1. Complete an IRA-ESA Distribution Request for client e-signature or physical signature
2. If the client does not have a bank account on file, complete an ACH Authorization for client e-signature or physical signature
3. Go to the correct account in NetX
4. Click on the Profile tab and click on Periodic Instructions

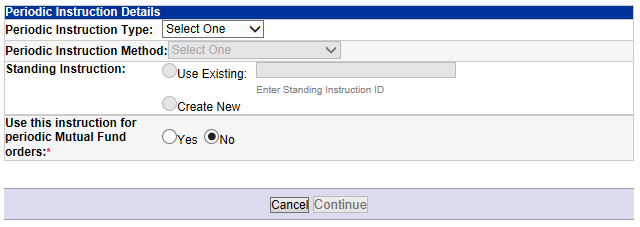


1. Click the Create New Periodic Asset Movement Instruction button



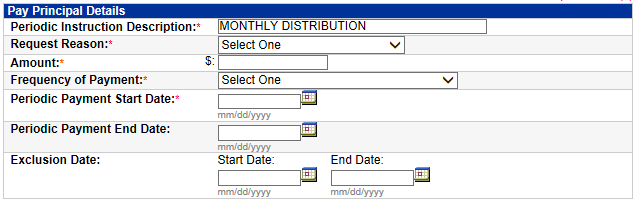
* 1. Confirm the account number is correct and click Continue

1. On the following screen, set up the systematic distribution instructions

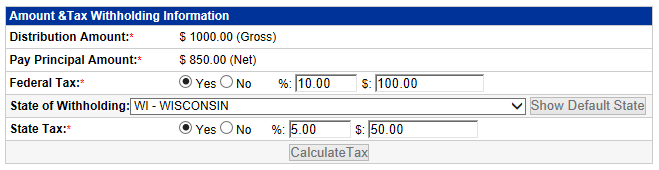


* 1. Periodic Instructions
     1. Deposit (ACH) – do not use for distributions
     2. Pay Income – use this to set up dividend sweeps from the account
     3. Pay Principal – use this to set up systematic distributions from the account
  2. Periodic Instruction Method
     1. Fed Fund – do not use for systematic distributions
     2. Journal Between Accounts – do not use for systematic distributions
     3. 3rd Party Check – do not use for systematic distributions
     4. ACH – use this option to sent money to bank account
     5. 1st Party Check – use this option to send money via physical check to address of record
  3. Standing Instruction
     1. If you use ACH as your Periodic Instruction Method and an bank account is already on file, click the Use Existing button and select the account from the dropdown menu
     2. If you are adding a new bank account, select Create New
  4. Use this instruction for periodic Mutual Fund Orders – defaults to No. Keep this as No.
  5. Click Continue

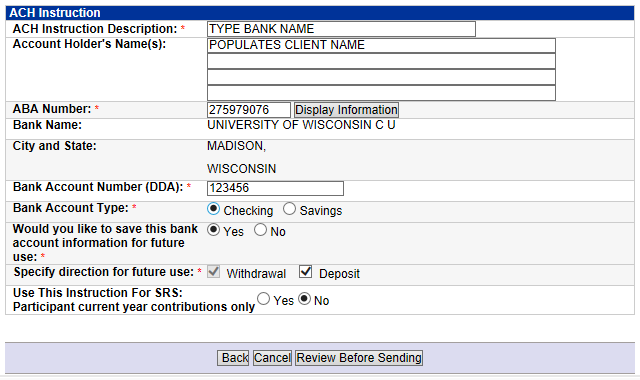
1. If you need to add bank account information and distribution instructions, you will complete the following
   1. Pay Principal Details



* + 1. Periodic Instruction Distribution: Enter Monthly Distribution as the title
    2. Request Reason: select appropriate reason (most often, it’s Normal)
    3. Amount: enter the distribution amount
    4. Frequency: select the appropriate frequency
    5. Periodic Payment Start Date: select the first date the distribution should be sent to the client
    6. Periodic Payment End Date: can be left blank unless you have a specific date to stop payments
    7. Exclusion Date: can be left blank unless there is a certain period of time the client does not wish to receive distributions
  1. Amount & Tax Withholding Information

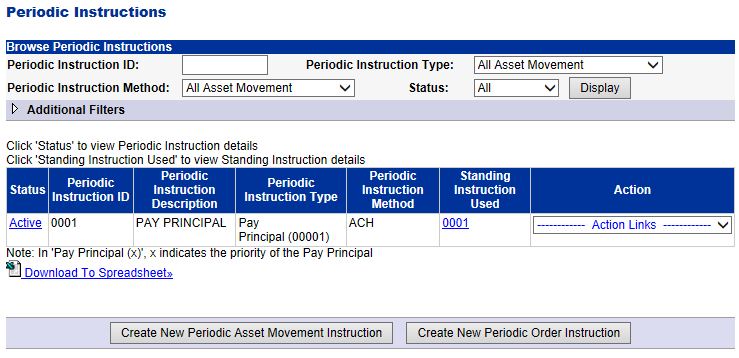


* + 1. Distribution Amount: enter the gross distribution amount
    2. Pay Principal Amount: will auto calculate the net payment after adding tax instructions
    3. Federal Tax: if the client would like to withhold Federal Tax, click the Yes button and enter in the percentage of tax withholding
    4. State of Withholding: will populate the default state for the client
    5. State Tax: if the client would like to withhold State Tax, click the Yes button and enter in the percentage of tax withholding
    6. Once you have entered in tax withholding information, click Calculate Tax
  1. ACH Instruction



* + 1. ACH Instruction Description: Enter the bank name
    2. Account Holder’s Name: client name will populate automatically
    3. ABA Number: Enter the routing number and click Display Information
    4. Bank Account Number (DDA): Enter the bank account Number
    5. Bank Account Type: Select Checking or Savings
    6. The remainder of the information prepopulates and can be left as is

1. Once all information is entered, click Review Before Sending
   1. If all information is correct, click Send Periodic Instruction Request
   2. If you need to correct any information, click « Back to Transaction
2. The Systematic Distribution will appear under Periodic Instructions



1. Remember to set up systematic sells in NetX for brokerage accounts, protect cash equivalent to three months of distributions in WMP for AMP accounts, or set up a systematic Raise Cash instructions in WMP for Genesis Model Portfolio
2. Create a reminder in Redtail to confirm the first distribution has occurred

**References**

Use this section to link to any other documents referenced in the procedure

**Revision History**

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| --- | --- | --- |
| **Revision Date** | **Revised By** | **Revision Notes** |
| 11/14/2022 | Katie Weinschenk | Procedure Created |
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