

FINOP, PFO, POO & SUPERVISORY SERVICES



For Broker-Dealers

S.D. Daniels & Co., P.C. (SDDco-PC), the founding entity of the SDDco Group, provides both filing all regulatory reports and supervisory services tailored to the needs of broker-dealers.

Every broker-dealer is required to maintain the services of a FINRA Series 27 Financial and Operations Principal (FinOp), Principal Financial Officer (PFO) and Principal Operating Officer (POO). SDDco-PC personnel can fulfill these roles.

A FinOp oversees the books and records and monitors a FINRA member firm's adherence to industry net capital rules and related rules and regulations.





The Outsourced FinOp Role

Regulators permit a licensed, off-site individual to fulfill the FinOp role. Outsourcing this role financially benefits brokerage firms choosing to engage an experienced, FinOp consultant instead of hiring that level of talent, full-time, in-house.

In addition, rather than hiring one full-time FinOp with SDDco-PC, you have access to the full resource of all our FinOps and Accounting professionals with broad on-going exposure to broker-dealer operations.

As a CPA firm providing FinOp services since the 1980's, SDDco-PC brings three decades of experience to U.S., SEC registered broker-dealers of all sizes, as well as foreign based broker-dealers operating in the U.S. under the SEC exemption, Rule 15a-6.

SDDco-PC can assume the FinOp function of your broker-dealer and assist with the functions of your in-house FinOp. An SDDco-PC FinOp can also assume the role of CFO.

FinOp Services for Broker-Dealers

An SDDco-PC FinOp can be engaged to perform and supervise all aspects of this mandatory function for FINRA member broker-dealers. Our FinOp service includes:

Financial Duties

- Oversight of the member broker-dealer's books and records
- Preparation of accurate, timely financial statements and the supervision of those who assist in their preparation
- Oversight/execution of duties per 1934 Securities Exchange Act & SEC uniform net capital rules
- Computation of the monthly net capital and all related items
- Monitoring of net capital compliance

FINRA Filings

- Financial and Operational Combined Uniform (FOCUS) Report, monthly or quarterly, and related Schedule I, annually
- Supplemental Statement of Income (SSOI), Form Custody and supplemental schedule off-balance sheets (OBS) due quarterly
- Securities Investor Protection Corporation (SIPC) Report, semiannually

Authority Assistance

- Interface with outside auditors during an audit exam
- Interface with regulators, as needed



FinOp New Firm Services

SDDco-PC CAN ASSIST YOU AND YOUR FIRM DURING THE PRE-MEMBERSHIP PHASE OF YOUR FINRA REGISTERING BROKER-DEALER

- Presenting advice related to setting up the books and records of the broker-dealer
- Creating an initial chart of accounts for your Accounting software
- Compiling books and records to prepare trial balances, balance sheets, P&L statements, net capital computations, and supporting documents, as required by the application process
- Facilitating your financial projections by providing a standard format, assisting in allocation methodology for shared costs, for each line item in the budget
- Providing accounting guidance to your legal counsel in the preparation of the required Supervisory Procedures Manual as it relates to the duties of the FinOp
- Assisting with your business plan, a required part of your FINRA application, as it relates to the duties of the FinOp

FinOp CFO Services

SDDco-PC can serve as your FinOp-CFO, whereby a licensed accounting professional can be retained to service your firm on-site, on a regular basis, to manage more deeply a variety of financial and business operation responsibilities.

Services may include but are not limited to: start-up management, strategic business & financial planning, cost reduction improvements, contract negotiation and administration, banking relationship management, risk assessment and advising, taxation and audit facilitation.

Assistant FinOp Services

For those with an in-house FinOp, SDDco-PC can support the role of your designated in-house FinOp to satisfy the required duties, computations, and filings. The "designated" FinOp is the Series 27 licensed professional on record with FINRA and ultimately responsible for the financial and operational duties of the firm. For varying reasons, a firm's designated in-house FinOp often requires additional on-site and off-site support.

Reporting Review Services

SDDco-PC can be engaged to review your firm's regulatory reporting such as the monthly or quarterly net capital, FOCUS report, quarterly SSOI custody and OBS. We can provide ongoing consulting related to the firm's regulatory filings, net capital procedures, and accounting systems.

Principal Financial Officer (PFO) and Principal Operations Officer (POO) Services

SDDco-PC will assign a qualified series 27 licensed individual to be designated as your firm's POO with primary responsibility of overseeing that the day-to-day operations of your business are properly supervised by assigned personnel. This includes overseeing of the receipt and delivery of securities and funds, safeguarding customer and firm assets, calculation and collection of margin from customers, processing dividend receivables and payables, reorganization redemptions and those books and records related to such activities.