

# 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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