**RiskGPS: Reclassification Assumptions**

**Purpose of This Section**

The Reclassifications assumptions are not intended to correct call report errors. Only two categories of banks need to complete the Reclassification assumptions:

1. **Depository Institutions** that have redistributed **non-maturity deposits** to reduce reserve requirements. For instance, specific regulatory rules permit some accounts to move from high reserve categories (like NOW accounts) to low reserve categories (like money market accounts).
2. **Banks Who’ve Reclassified Sweep Accounts** for call report purposes, often through automated software tools that facilitate the process.

If your bank **does not** reclassify deposit balances across account types on the call report, you may **safely ignore** this section.

**Why Reclassification Assumptions Matter**

If your bank reports reclassifications, it is **essential** to enter correct assumptions in this section to **prevent errors** in beginning balances used in Rate shock margin projections and Economic Value of Equity (EVE) calculations.

**Key Operational Details**

* **Impact Scope**:
  + Assumptions update the **quarter-end balance sheet** only (page 3 of the RiskGPS report). **No changes** are made to the **quarterly average balance sheet**.
  + Entries for the most recent quarter **carry forward** into:
    - Margin risk tolerance report
    - Gap report
    - Rate shocked net interest margin analysis
    - Market value of equity analysis
  + Changes for prior quarters affect:
    - Quarter-end balance sheet
    - Liabilities & Equity mix graph (Page 5)

**Entry Guidelines**

* Enter the **total actual balances** for each category, **not** the difference or change amount because of the reclassification.
* If a category’s balance should be **zero**, enter “0” to override the call report value.
* If the **sum of all "User Defined" entries does not match** the call report total, RiskGPS will display an **error message** and the entries will **not post** until corrected

Reclassification assumptions, unlike other RiskGPS assumptions, are **retained** across quarters. You typically only need to adjust them the initial time entering Reclassification Assumptions or if prior quarter balances require modification.

**Need Help?**

Plansmith offers **customized Advisory Services** for this assumption area. Services include:

* Development and documentation of assumptions
* Policy creation
* Report preparation
* Board/ALCO training
* Regulatory response

All services are overseen by a **former FDIC examiner** with over 20 years of industry experience.