Digital onboarding

Frequently asked questions

Click the links below to view questions that cover general topics:

Introduction to the workflow

1. **What is the new digital onboarding workflow on Schwab Advisor Center®, and how is it different from other digital workflows?**

   Digital onboarding offers a fully digital experience for both you and your clients, letting you open, approve, and set up funding and features in a single digital workflow. Your client electronically reviews and approves the application using their Schwab Alliance credentials (clients without credentials will be able to establish them). Unlike form-based methods, digital onboarding requires no paper and no pretagging of fields and requires that only the relevant, required fields be completed. And because digital onboarding is integrated with Schwab data systems, applications submitted benefit from the lowest "not in good order" (NIGO) submissions (under 3%) and the fastest processing time of any channel.

2. **What are the benefits of using digital onboarding?**

   Onboarding clients digitally offers numerous benefits:

   - An intuitive, guided workflow that allows both advisors and clients to enter or edit information and takes only minutes to complete
   - The ability to include account open, funding, and account setup features and up to 16 advisor documents in a single envelope
   - Integrations with Schwab systems and popular third-party advisor software programs that minimize data entry and keep issues caused by missing information or documentation at a minimum
   - Detailed status tracking and flexibility in managing envelopes, including the ability to recall and resend envelopes to your client
   - Most accounts opened and ready to fund immediately upon submission to Schwab
   - The most secure channel to onboard clients, using Schwab's authentication systems and a client experience that protects sensitive information such as social security numbers

3. **What account types are compatible with the digital onboarding workflow?**

   Currently, the workflow can be used to open the following account types:

Schwab One® personal	Schwab One living trust	Individual retirement accounts
- Individual - Joint tenant - Tenants in common - Community property - Custodial	- Revocable - Irrevocable	- Contributory - Rollover - Roth contributory - Inherited (for individual)

You can continue to use digital onboarding to open the following account types:

- Schwab Charitable™ donor-advised fund
- Institutional Intelligent Portfolios® accounts (brokerage, IRA, and trust)

4.   What additional account setup steps can I complete using digital onboarding?

You can now fund accounts using digital onboarding by including ACH (Schwab MoneyLink®) or ACAT asset transfer (TOA) instructions as well as set up standing disbursement instructions. Additionally, features like prime broker, wrap program, and adding beneficiaries to taxable accounts are included. For a full list of account open, funding, and setup actions you'll enjoy in the coming weeks, review the "new features" section on the digital onboarding roadmap.

5.   In the future, what other capabilities will digital onboarding offer?

We understand that you often open multiple accounts when onboarding. Next we are expanding digital onboarding to allow multiple accounts in a single envelope in addition to adding other features. To see the current list of planned features, check out the roadmap.

Using the digital onboarding workflow

6.   Can I open multiple accounts at one time with digital onboarding?

No. Currently, digital onboarding supports one account open in an envelope. Just repeat the easy process by creating a new envelope for additional accounts. Because you've already told us your client information, you won't have to reenter that data.

7.   If I am opening multiple accounts for my clients, do I have to wait until they complete the first account open to send them the second envelope?

No. As soon as your client establishes their credentials, they can be used for any new or in-process envelopes, even if the first account is not yet authorized (i.e., a single client can have multiple envelopes that are in process).

8.   When is an account that has been opened using digital onboarding ready for funding and trading?

Once your client has authorized the account and you have submitted the envelope to Schwab, we begin processing each transaction. In most cases, the account is opened immediately, and Schwab starts working on any funding and setup transactions like the account transfer. You can check the progress of any envelope at any time on the Manage Schwab Envelopes page or in Schwab Advisor Center.

9.   What information am I required to provide about my client?

You need only three pieces of information about your client to create an onboarding envelope: name, email, and phone number. Your client can add all additional personal and account setup information. You can also indicate certain account settings, such as trading and disbursement authority. Your client cannot edit these, but we will suggest that they reach out to you if they have questions.

10.   If I do not provide all the information and documents needed, will Schwab require that my client provide that information?

Yes. Any required information not provided by you must be supplied by your client. Your client may be asked to upload documents if you choose to include in the envelope Schwab MoneyLink setup or an ACAT transfer. A voided check for the Schwab MoneyLink is required. A contra firm statement to support the ACAT transfer is not always required but is encouraged as a best practice. Other optional information, such as trusted contacts or beneficiaries, is not required.

11. Where can I see the status and actions I can take on my envelopes?

You can review the detailed status of any envelope and take action on the Manage Schwab Envelopes page accessible on the Forms and Applications page on Schwab Advisor Center.

To see a list of envelope statuses and available actions, view "How to Manage Envelopes" section of the Service Guide.

12. How will I know when my client has approved the documents, and what are the next steps?

Once your client approves the application, the status of the envelope will change to "Action Needed." You can then review and submit the application to Schwab via the Manage Schwab Envelopes page. You can sign up for proactive alerts for any "Action Needed" status on the finalize and send screen for the envelope or from the Manage Schwab Envelopes page.

13. Does digital onboarding support advisor and firm documents?

Yes. You can include up to 16 advisor or firm documents in a digital envelope. Additional support is provided for select forms that require a client's agreement and/or acknowledgment of receipt. The evidence of digital signature or delivery is provided on PDF copies of the agreements returned in the envelope, available for download via the Manage Schwab Envelopes page. Please note that you cannot add firm documents when opening a charitable account.

14. How do I track a client's approval of the account open and my documents?

For each envelope, Schwab will provide you two receipts with evidence of your client's signature: one for Schwab documents and one for your advisor documents. You can download these for 180 days from the Manage Schwab Envelopes page:

- **Download signed receipt:** Signatures on Schwab account open, funding, and setup transactions
- **Download signed advisor documents:** Signatures and acknowledgment of your advisor documents

If you need a receipt after 180 days, contact your service team.

15. Can I review the data I've entered before sending the envelope for my client's approval?

Yes. The digital onboarding workflow lets you review the information in the envelope before you submit it for client approval.

16. What is the maximum number of ACAT asset transfers (TOA), Schwab MoneyLink setups, and standing instructions that can be added to one account?

A total of 10 TOAs, 10 Schwab MoneyLink setups, and unlimited standing instructions can be added to the account being opened.

17. What if I have a non-ACAT transfer?

At this time, digital onboarding supports only ACAT transfers. We know that this is important to you, however, so we plan to digitize non-ACAT transfers in the future. If you enter a TOA that is ineligible for digital onboarding, we will provide instructions for the steps to take to complete the transfer.

18. What is the maximum file size for uploaded documents, including my advisor documents?

The file size limit is 25 MB per file.

19. What if I need to revise the contents of the digital envelope?

You can recall the envelope from the Manage Schwab Envelopes page, edit the contents, and resend the envelope at any point prior to submitting the signed envelope to Schwab. The signing process will restart, and any signers who have already approved the transactions in the envelope will need to review and approve the entire envelope again; any information they entered or edited will be saved.

20. What happens if my client doesn't complete the application?

If your client does not complete and submit the envelope within the 30-day window, the envelope will expire and the contents will be voided. Your client will receive a reminder email 72 hours before expiration. Before the envelope expires, you can resend it to your client, which resets the time to expiration. If the envelope expires and your client still wishes to open an account, you'll need to restart the digital onboarding process.

21. Does my client need to sign a signature card?

Not necessarily. Signature cards aren't required when using eAuthorization—the easiest, most secure method for obtaining client approval. However, if you do plan to obtain client approval using a wet signature, signature cards are required for processing paper transactions. To avoid delays, you may want to have a signature card on file when processing paper transactions.

22. As part of the digital onboarding process, can I preselect paperless document delivery for my client?

No. Your client will have the option to opt in to paperless delivery during the approval process.

23. How do I report any technical issues I encounter with the digital onboarding workflow?

If you have issues with digital onboarding or any Schwab Advisor Center tools, please contact Advisor Platform Services at **800-647-5465**.

Your clients' approval experience

24. Does my client need a Schwab login ID and password to authorize the digital envelope?

Yes. Your client can use their Schwab Alliance login ID and password to authorize the digital envelope. Clients who don't already have credentials will be prompted to establish them after initially authenticating via a secure PIN received through a text or an automated phone call. Clients without credentials will be required to verify their identity by entering their Social Security number and date of birth.

25. What is the signing process when there are multiple signers in the envelope?

Signers will sign sequentially starting with the primary account holder, who must complete any missing information. During the approval process, each approver sees only their own personal information, and subsequent signers cannot change information required to be entered by the first signer.

26. If my client shares their phone and email with their co–account holders, can that be used for the authentication process?

Yes. The same phone number and email address can be used for all signers in an envelope. Please be aware that due to the signing order described above, each signer must use the link from the email addressed specifically to them to ensure that they pass Schwab authentication.

27. What information will my client be asked to provide during the approval process?

Digital onboarding allows for a much more flexible, collaborative process for you and your clients. You have the option to complete all client information on their behalf or to start with as little as their name, phone number, and email address. All required information for the transactions in the envelope not entered by you must be entered by your client.

28. Can a client make changes to the account application?

Yes. For greater efficiency, clients can edit much of the information that has been entered by you, helping reduce errors, with a few limitations: Clients cannot edit their name, email address, Social Security number, or date of birth.

Note: A client also cannot edit their citizenship data; however, new-to-Schwab clients can specify their citizenship if you leave those fields blank.

29. How much time does my client have to approve the digital envelope?

Each approver has 30 days to review and approve the digital envelope. You can send a reminder to a client who has not yet signed that will reset the time limit to Day 1, giving the client additional time to review and approve. If a client does not approve within the time limit, the envelope will expire. At that point, if the client still needs the new account, you'll need to restart the digital onboarding process.

30. If my client stops midway through the process, can they continue later?

Yes. Clients can save and exit the signing process at any time. To return to the envelope, they must use the link provided in the email addressed to them. When resuming, they should use the login credentials they already established.

Recordkeeping information

31. How does a client agree to the terms and conditions, including the advisor documents, presented to them during account opening?

When opening an account online, the client goes through a guided process that presents the applicable legal agreements and documents for review and signature. This includes any legally binding or regulatory advisor documents you may have included in the envelope for client signature, such as the advisory agreement, fee addendum, and consent to invest. This also includes disclosures you may need your client to acknowledge, including Form ADV, Form CRS, and your privacy policy and investment policy statement.

Agreements, forms, and disclosures of Charles Schwab & Co., Inc., include but are not limited to the Agreement to Use Electronic Records and Signatures, Brokerage Account Agreement, Schwab Cash Features Program disclosure, certification of the Internal Revenue Service taxpayer identification number and tax withholding status, and authorization allowing the advisor to take certain actions on the account.

The signing process begins with the client's signing the Agreement to Use Electronic Records and Signatures. After reviewing each subsequent agreement or document and before proceeding to the next step, the client must check a box for that agreement or document. These checked boxes are electronic signatures and provide a record of the client's agreement, consent, acknowledgment, or receipt, as applicable.

32. The check mark is a legally enforceable electronic signature?

Yes. The act of checking the box has the same legal effect as signing an agreement or other document by hand with ink.

33. Are electronic signatures enforceable?

Yes. Federal legislation enacted in 2000, known as the Electronic Signatures in Global and National Commerce Act (E-Sign Act), states that a contract or signature "may not be denied legal effect, validity, or enforceability solely because it is in electronic form." This law provides that electronic signatures and records are just as valid as their paper equivalents and are therefore subject to the same legal enforceability as paper documents.

34. What about record retention requirements?

The E-Sign Act also provides that if a law requires a business to retain a record of a transaction, the business satisfies the requirement by retaining an electronic record so long as the record is (1) in an unalterable format and "accurately reflects" the substance of the original record at the time it was signed or delivered; (2) "accessible" to people who are entitled to access it; (3) "in a form that is capable of being accurately reproduced for later reference, whether by transmission, printing, or otherwise"; and (4) retained for the legally required period of time. FINRA and the SEC have also provided guidance permitting the use of electronic records and signatures in the securities industry.

35. How does my firm obtain a hard copy of the new account application—the equivalent of my firm's making a photocopy of a paper account application—for my books and records requirements?

For each account that is opened using the digital onboarding workflow, Schwab publishes a soft copy artifact (receipt) on the Manage Schwab Envelopes page that has all the data that either you or the client filled in, along with evidence of the client's electronic signature. Schwab captures and archives all boxes the client checks, the date and time the agreement was checked, and the document version that was agreed to for the mandated period of time. These artifacts are labeled "Download signed receipt" or "Download signed advisor documents," and can be printed or downloaded to your firm's systems.

36. How do I countersign documents?

Documents uploaded during the digital onboarding process can be signed only by the account holders in the envelope; there is no signing process for individuals in your firm. Other advisors, however, have chosen to upload countersigned documents prior to receiving their clients' signature or to upload the receipt with the client signature into DocuSign to collect a counter signature.

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