Year-end escrow tax disbursement checklist

Four stages from bill release to a recorded payment, with the rule behind each step.

PORTFOLIO OR STATE	TAX YEAR	PREPARED BY	FIRST PENALTY DATE

STAGE 1 | OCTOBER TO NOVEMBER IN WISCONSIN

Before bills are released

	OWNER / DATE / NOTES
☐ Confirm parcel numbers and taxing jurisdictions for every escrowed loan.	
☐ Confirm each borrower's disbursement election or agreement is on file where state law or Regulation X calls for one. Different basis or date needs voluntary agreement: 1024.17(k)(4)	
☐ List the penalty date for each jurisdiction and work back to an internal cutoff. Pay on or before the deadline to avoid a penalty: 1024.17(k)(1)	
☐ Identify escrow accounts likely to be short. Short accounts are still paid on time: 1024.17(k)(2)	

STAGE 2 | DECEMBER IN WISCONSIN

As bills arrive

	OWNER / DATE / NOTES
☐ Retrieve tax amounts as each jurisdiction posts them. Known charges are used in the analysis: 1024.17(c)(7)	
☐ Verify amounts against the tax record and review any that changed sharply from the prior year.	
☐ Hold back parcels that need review, with a named owner and a date.	

STAGE 3 | LATE DECEMBER TO JANUARY IN WISCONSIN

At disbursement

	OWNER / DATE / NOTES
☐ Approve amounts and group payments by jurisdiction.	
☐ Advance funds on short accounts where the borrower is not more than 30 days overdue. Advance funds to pay on time: 1024.17(k)(2)	
☐ Send payments with enough lead time for each method. The disbursement date is the date actually paid: 1024.17(b)	

After disbursement, method review, and due dates

STAGE 4 | JANUARY TO FEBRUARY IN WISCONSIN

After disbursement

	OWNER / DATE / NOTES
☐ Confirm each payment was received and applied.	
☐ Post disbursements to the core system and reconcile.	
☐ Run an escrow analysis on accounts where funds were advanced before seeking repayment. Analysis before seeking repayment: 1024.17(f)(1)(ii)	
☐ Retain payment records for examiners and auditors.	

Payment method review

Regulation X sets the deadline, not the method. Answer each for how your team pays today.

Lead time. How many days before the penalty date does the payment have to leave to arrive on time?	
Volume. Can many parcels in one jurisdiction be paid together, or does each payment need to be initiated separately?	
Proof. How does the team confirm that each payment was received and applied to the right parcel?	
Posting. How do the paid amounts get into the core system, and how much is keyed by hand?	
Records. Can the team show an examiner what was paid, when, and to whom?	

Default installment due dates

Statutory defaults. Counties and municipalities can set different dates.

Wisconsin	Minnesota	Illinois	Michigan	Iowa
Jan 31	May 15	Jun 1	Sep 14 (summer)	Sep 1
Jul 31	Oct 15	Sep 1	Feb 14 (winter)	Mar 1

Payment cutoffs and Regulation X quick reference

Payment cutoff worksheet

Work back from each jurisdiction's penalty date to the day the payment has to leave.

JURISDICTION	PENALTY DATE	BASIS	METHOD	LEAD DAYS	INTERNAL CUTOFF	SENT	CONFIRMED
							☐
							☐
							☐
							☐
							☐
							☐
							☐
							☐
							☐
							☐
							☐

Basis: installment or annual. Where the jurisdiction offers no lump-sum discount and charges no installment fee, Regulation X calls for installments unless the borrower voluntarily agrees otherwise (1024.17(k)(3), (k)(4)).

Regulation X disbursement rules

Pay before the penalty date. On or before the deadline to avoid a penalty, if the borrower is not more than 30 days overdue.	1024.17(k)(1)
A short account is not a reason to pay late. Advance funds to pay on time, then seek repayment of the deficiency.	1024.17(k)(2)
Installments are often the default. No lump-sum discount and no installment fee means installment disbursement.	1024.17(k)(3)
A different schedule needs voluntary agreement. Loan approval and loan terms cannot be conditioned on it.	1024.17(k)(4)
State law can add steps. Wisconsin borrower options are tied to December 20 and December 31.	Wis. Stat. 138.052(5m)

Fund approved batches by bulk ACH.

No wires or paper checks to initiate, and a core-ready file from every payment run.

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