

## DOCUMENTATION REQUIREMENTS

### *Activities and Related Documents*

In addition to accounting records, the Department of Real Estate requires that the broker maintain all documents prepared or obtained in connection with any real estate transaction handled. Here is a list of typical activities and the corresponding documentation.

<i>Activity</i>	<i>Documentation</i>
1. Receiving trust funds in the form of: <ul style="list-style-type: none"> <li>• Purchase deposits from buyers</li> <li>• Rents and security deposits from tenants</li> <li>• Other receipts</li> </ul>	<ul style="list-style-type: none"> <li>• Real estate purchase contract and receipt for deposit, signed by the buyer</li> <li>• Collection receipts</li> <li>• Collection receipts</li> </ul>
2. Depositing trust funds	<ul style="list-style-type: none"> <li>• Bank deposit slips</li> </ul>
3. Forwarding buyers' checks to escrow	<ul style="list-style-type: none"> <li>• Receipt from title/<i>escrow</i> company and copy of check</li> </ul>
4. Returning buyers' checks	<ul style="list-style-type: none"> <li>• Copy of buyer's check signed and dated by buyer, signifying buyer's receipt of check</li> </ul>
5. Disbursing trust funds	<ul style="list-style-type: none"> <li>• Checks issued</li> <li>• Supporting papers for the checks, such as invoices, escrow statements, billings, receipts, etc.</li> </ul>
6. Receiving offers and counteroffers from buyers and sellers	<ul style="list-style-type: none"> <li>• Real estate purchase contract and receipt for deposit, signed by respective parties</li> <li>• Agency disclosure statement</li> <li>• Transfer disclosure statement</li> </ul>
7. Collecting management fees from the trust fund bank account	<ul style="list-style-type: none"> <li>• Property management agreements between broker and property owners. (Note: If only one trust fund check is issued for management fees charged to various property owners, there should be a schedule or listing on file showing each property and amount charged, and the total amount, which should agree with the check amount.)</li> <li>• Cancelled checks</li> </ul>
8. Reconciling bank account record with separate beneficiary records	<ul style="list-style-type: none"> <li>• Record of reconciliation</li> </ul>

## ADDITIONAL REQUIREMENTS - DOCUMENTS

The following is an additional requirement of the Real Estate Law and the Commissioner's Regulations relating to the preparation and management of real estate transaction documents.

### *Person Signing Contract to be Given Copy*

Under Business and Professions Code Section 10142, any time a licensee prepares or has prepared an agreement authorizing or employing that licensee to perform any acts for which a real estate license is required or when the licensee obtains the signature of any person to any contract pertaining to such services or transaction, the licensee must deliver a copy of the agreement to the person signing it at the time the signature is obtained. Examples of such documents are listing agreements, real estate purchase contract and receipt for deposit forms, addenda to contracts, and property management agreements.