

CONTENTS

TOPIC	PAGE NUMBER
GENERAL INFORMATION	1
Trust Funds and Non-Trust Funds	1
Why a Trust Account?	1
Trust Fund Handling Requirements	1
Identifying the Owner(s) of Trust Funds	2
TRUST FUND BANK ACCOUNTS	2
General Requirements	2
Trust Account Withdrawals	3
Interest-Bearing Accounts	3
Commingling Prohibited	4
Trust Fund Liability	5
Summary – Maintaining Trust Account Integrity	5
ACCOUNTING RECORDS	6
General Requirements	6
Columnar Records	6
Record of All Trust Funds Received and Paid Out – Trust Fund Bank Account	6
Separate Record for Each Beneficiary or Transaction	7
Record of All Trust Funds Received – Not Placed in Broker’s Trust Account	7
Separate Record for Each Property Managed	7
OTHER ACCOUNTING SYSTEMS AND RECORDS	7
Journal	8
Cash Ledger	8
Beneficiary Ledger	8
RECORDING PROCESS	8
RECONCILIATION OF ACCOUNTING RECORDS	8
Purpose	8
Reconciling the Bank Account Record With the Bank Statement	9
Reconciling the Bank Account Record With the Separate Beneficiary or Transaction Records	9
Unexplained Trust Account Overages	9
Suggestions for Reconciling Records	9
DOCUMENTATION REQUIREMENTS	10
Activities and Related Documents	10
ADDITIONAL REQUIREMENTS – DOCUMENTS	10
Person Signing Contract to be Given Copy	10
AUDITS AND EXAMINATIONS	11
SAMPLE TRANSACTIONS	11
QUESTIONS AND ANSWERS REGARDING TRUST FUND REQUIREMENTS AND RECORD KEEPING	18
SUMMARY	18
TRUST FUND RECORD KEEPING EXHIBITS	19