Kansas Administrative Regulations

Kansas Real Estate Commission

Article 3.—Persons Holding Licenses; Duties

86-3-18. Trust account records.

(a) Each supervising broker, and each branch broker who maintains a separate trust account for a branch office pursuant to K.S.A. 58-3061 and amendments thereto, shall maintain in the broker's office a complete record of all monies received or escrowed on real estate transactions, including the following:

(1) Deposit slips showing the unique transaction number assigned pursuant to K.A.R. 86-3-22, the date of deposit, the amount, and where deposited;

(2) monthly trust account bank, savings and loan association, or credit union statements, including canceled checks and deposit slips;

(3) all voided trust account checks;

(4) a check register that shows the chronological sequence in which funds are received and disbursed. For funds received, the check register shall include the date of deposit, the unique transaction number assigned pursuant to K.A.R. 86-3-22, and the amount. For disbursement, the check register shall include the date, the unique transaction number assigned pursuant to K.A.R. 86-3-22, the payee, and the amount. A balance shall be shown, and the balances shall be kept current;

(5) a ledger for each transaction. The ledger shall include the names of the principals, the property address, and the unique transaction number assigned pursuant to K.A.R. 86-3-22; the amount and date of deposit of all monies received; and the check number, the date, the payee, and the amount of each disbursement. The broker shall note any deposit recorded in the trust account before contract acceptance. If the offer is accepted, the broker shall note the contract acceptance date on the ledger. If the offer is rejected or withdrawn before contract acceptance, the broker shall record the disbursement, note the rejected or withdrawn offer, and return the earnest money to the prospective buyer. A balance shall be shown for each ledger account, and balances shall be kept current; and

(6) a ledger for broker's funds, if those funds are deposited in the trust account pursuant to K.S.A. 58-3061, and amendments thereto. A balance shall be shown for each ledger account, and balances shall be kept current.

(b) The trust account shall be reconciled monthly against bank, savings and loan association, or credit union records, unless there has been no activity during the month.

(c) Trust account liability, as established by ledger sheet balances, shall be compared to the reconciled trust account balance monthly, unless there has been no activity during the month.

(d) Each supervising broker or branch broker who closes a trust account shall notify the commission by filing a "report on closing trust account" with the commission on a form approved by the commission, accompanied by a copy of the bank, savings and loan association, or credit union statement showing that the trust account has been closed, within 10 days of the occurrence of any of the following:

(1) Closure of the trust account;

(2) closure of the primary office or branch office, unless an exemption not to maintain a trust account has been granted by the commission for each trust account that was in existence when the primary office or branch office closed; or

(3) a change in the account number for the trust account or a change in the bank, savings and loan association, or credit union in which the trust funds are held. (Authorized by K.S.A. 2019 Supp. 74-4202; implementing K.S.A. 2019 Supp. 58-3061; effective May 1, 1975; amended, E-81-18, July 26, 1980; amended May 1, 1981; amended, T-88-32, Jan. 1, 1988; amended May 1, 1988; amended April 23, 2021.)