

86-3-10. Retention of records. Each broker shall retain, for at least three years, in the broker's paper or digital files for a period of at least three years ~~true copies~~ a copy of all records relating to the broker's real estate business, including the following:

(a) Real estate sales contracts, option agreements, and nonresidential lease agreements for which the broker acts as an employee of, or on behalf of, the owner, purchaser, lessor or lessee;

(b) closing statements;

(c) each receipt from an escrow agent required by K.S.A. 58-3062(d), and amendments thereto;

(d) correspondence; and

~~(e)~~ (e) the records required by K.A.R. 86-3-18. (Authorized by K.S.A. 2019 Supp. 74-4202(b); implementing K.S.A. 1990 2019 Supp. 58-3061(e), as amended by 1991 SB 194, Sec. 4; effective Jan. 1, 1966; amended, E-81-18, July 16, 1980; amended May 1, 1981; amended Nov. 18, 1991; amended P- \_\_\_\_\_.)

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86-3-18. Trust account records. (a) Each supervising broker, and each branch broker who maintains a separate trust account for a branch office ~~as provided by~~ 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 ~~which~~ 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. ~~The names of the principals may be included.~~ 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

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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 ~~such~~ those funds are deposited in the trust account pursuant to K.S.A. ~~58-3062(a)(3)~~ 58-3061, and amendments thereto. ~~The balance shall be kept current~~ 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(b); ; implementing K.S.A. ~~1986~~ 2019 Supp. 58-3061; ; effective May 1,

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1975; amended, E-81-18, July 26, 1980; amended May 1, 1981; amended, T-88-32, Jan. 1, 1988;  
amended May 1, 1988; amended P- \_\_\_\_\_.)

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86-3-21. (Authorized by K.S.A. 74-4202(b); implementing K.S.A. 2006 Supp. 58-3061; effective, T-87-32, Nov. 19, 1986; effective May 1, 1987; amended Nov. 18, 1991; amended, T-86-7-2-07, July 2, 2007; amended Nov. 16, 2007; revoked P- \_\_\_\_\_.)

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86-3-22. Transaction identification. (a) Each supervising broker or branch broker shall assign a unique transaction number to each real estate sales contract, option agreement, and nonresidential lease agreement for which the broker acts as an employee of, or on behalf of, the owner, purchaser, lessor, or lessee. ~~If a separate trust account is maintained for a branch office as provided by K.S.A. 58-3061 and amendments thereto, the transaction number shall be assigned by the branch broker.~~

~~(b)(1) Sales contracts and option agreements shall be numbered in consecutive order by contract date within each calendar year, as specified in this paragraph. Each sales contract or option agreement shall be assigned a two-part number, with the parts separated by a hyphen. The first part, which shall consist of two digits, shall be the last two digits of the calendar year. The second part shall designate the numerical order of the contract or agreement within that calendar year, beginning with the number "1" and always preceded by one or more zeros.~~

~~(2) Lease agreements shall be numbered in consecutive order by contract date within each calendar year, as specified in this paragraph. Each lease agreement shall be assigned a two-part number, with the parts separated by a hyphen. The first part shall consist of the capital letter "L" followed by the last two digits of the calendar year. The second part shall designate the numerical order of the lease agreement within that calendar year, beginning with the number "1" and always preceded by one or more zeros.~~

~~(c)(1) If a broker deposits earnest money in the broker's trust account before contract acceptance, the broker shall assign a unique transaction number to the offer. The date of the deposit shall be used as the contract date for the sole purpose of assigning numbers in~~

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~~consecutive order pursuant to subsection (b). If the offer subsequently becomes a contract, the transaction number assigned to the offer shall be used throughout the transaction.~~

~~(2) The broker shall record the deposit on a ledger pursuant to K.A.R. 86-3-18(a)(5) with a notation on the ledger that the earnest money was deposited before contract acceptance. If the offer is rejected or withdrawn before contract acceptance, the broker shall return the earnest money to the prospective buyer and shall record the disbursement on the ledger sheet with a notation that the offer was rejected or withdrawn. If the offer is accepted, the broker shall note the contract acceptance date on the ledger.~~

~~(d) The transaction number shall be shown on the transaction file and shall be included on any of the following applicable records:~~

~~(1) The trust account check register to identify funds deposited or disbursed;~~

~~(2) each trust account deposit slip, with the amount of the deposit related to each transaction designated;~~

~~(3) each check drawn on the trust account;~~

~~(4) each transaction ledger maintained in accordance with K.A.R. 86-3-18(a)(5); and~~

~~(5) each receipt from an escrow agent required by subsection (d) of K.S.A. 58-3062 and amendments thereto.~~

~~(e) (c) If the broker's records are computerized, the transaction number shall be shown on all applicable computerized real estate transaction records Each record required to be maintained pursuant to K.A.R. 86-3-10 and 86-3-18 shall include the unique transaction number.~~

~~(f) A transaction numbering system requested by a broker that is different from the system required by this regulation may be approved by the commission. (Authorized by K.S.A.~~

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2019 Supp. 74-4202(b); implementing K.S.A. 2019 Supp. 58-3061 and ~~K.S.A. 2006 Supp. 58-3062~~; effective, T-88-32, Jan. 1, 1988; effective May 1, 1988; amended Dec. 20, 1993; amended, T-86-7-2-07, July 2, 2007; amended Nov. 16, 2007; amended P- \_\_\_\_\_.)

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