

## **1301:5-5-11 Separate property management trust accounts.**

(A) All brokerages engaging in the management of property for another shall establish and maintain a separate trust account(s), to be designated as property management trust account(s), for the deposit of security deposits, rents, and money received from the owner(s) or on the owner's(s') behalf for payment of expenses related to the management of property. Before making disbursements from a property management trust account, the real estate license shall ensure that the account balance for that owner's(s') property(ies) is sufficient to cover the disbursements.

(B)(1) A property management trust account established by a broker may earn interest. Except as provided in paragraph (B)(2) of this rule, the interest earned shall be payable on a pro rata basis to the owner(s) of the property(ies) on whose behalf monies are deposited in the property management trust account. The interest shall be paid or credited on a regular basis, but in no event later than on a quarterly basis.

(2) The property owner(s) and broker may agree that the interest due the owner(s) under this rule will be paid in a manner other than specified in this rule and to a party(ies) other than the owner(s). Any such agreement must be specified in writing, signed by the owner(s) and the broker or an authorized agent of the broker.

(3) Nothing in this rule shall be construed to require that a broker's property management trust account earn interest.

(C) A separate ledger sheet shall be maintained for each owner of property managed by the brokerage identifying the following information in columnar form:

- (1) Name and/or address of the property;
- (2) Parties to the transaction;
- (3) Amount, date, and purpose of deposit(s);
- (4) Party from whom deposits are received;
- (5) Amount, date, check number, and purpose of disbursements;
- (6) Party to whom disbursements are made;
- (7) Running balance of funds on deposit for the particular owner of property;
- (8) Amount of interest earned on behalf of the owner(s) of the property(ies) if any.

(D) In paying expenses on behalf of an owner from a property management trust account, there must be enough funds credited and deposited to the owner's account to cover said expense. Security deposits received by a licensee must be deposited and maintained in the property management trust

account unless the lease and property management agreement provide otherwise. Security deposits maintained in the property management trust account must be clearly identified and credited to the tenant.

(E) All brokerages who engage in property management activities shall provide an accounting to each owner of property managed on a regular basis, but in no event not less than on a quarterly basis.

(F) Any real estate licensee who fails to comply with the provisions of this rule after September 1, 1990 may be deemed to be in violation of divisions (A)(5), (A)(6), and/or (A)(26) of section 4735.18 of the Revised Code.

(G) Division (A)(26) of section 4735.18 of the Revised Code does not apply to brokers who are engaged only in property management and who maintain a property management trust account, as required by that section.

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