

## Section 1450.180 Record Keeping

a) A sponsoring broker shall keep or cause to be kept, escrow records, transaction records, employment agreements, and records reflecting the payment of compensation, as further described in this Section.

1) Escrow records for each interest bearing and non-interest bearing escrow account or account into which escrow funds have been deposited. These records shall include:

A) Journals as defined in Section 1450.175(i)(1).

B) Monthly bank statements.

C) Ledgers as defined in Section 1450.175(i)(2).

D) Monthly reconciliations as defined in Section 1450.175(i)(3).

E) Master Log of (Escrow) Accounts as defined in Section 1450.175(i)(5).

2) The escrow records required by subsection (a)(1) shall be maintained for 5 years. The broker shall ensure that the escrow records for the immediate prior 2 year period are maintained in the office location. All in office escrow records shall be made available for inspection and audit during normal business hours by the Division staff no later than 24 hours after a request for escrow records and related documents. Any escrow records more than two years old and stored at a location other than the office shall be made available for inspection during normal business hours within 30 days after the request.

3) Records relating to transactions shall be kept in the office involved in the transaction.

A) These records might include copies of the following:

i) Residential Property Transactions: Signed contracts, including offers and counteroffers, written release of escrow funds, Dual Agency Authorization, written direction for deposit into interest bearing special account, power of attorney, disclosures (e.g., lead paint, seller disclosure) and closing statements.

ii) Property Management/Leasing: Any rental finding agreement, leases, periodic accounting or statement to the owner regarding the receipts and disbursements.

iii) Commercial Representation: Tenant or owner representation agreement, letters of intent, leases, and any written modifications to an executed lease.

B) The documents listed in subsection (a)(3) are not intended to be all inclusive; rather, they are intended to be examples of pertinent documents to be retained. Any similar documents pertinent to a particular transaction shall also be retained. Any information contained on the outside of a transaction file shall be considered part of that file.

C) Transaction records shall be maintained for 5 years. The sponsoring broker shall ensure that any transaction records involving any active or pending transaction or representation, or any transaction in which escrow funds or monies belonging to others were received and have not yet been disbursed shall be maintained in the office location. All transaction records maintained at the office location shall be made available for inspection and audit during normal business hours by the Division staff no later than 24 hours after a request for escrow records and related documents. Any transaction records stored at a location other than the office shall be made available for inspection during normal business hours within 30 days after the request.

D) Sponsoring brokers may allow their sponsored licensees to maintain a duplicate of the transaction records.

4) Employment agreements, as required by Section 10-20 of the Act, shall be maintained for 5 years after the sponsored licensee is no longer affiliated with the sponsoring broker. The broker shall maintain the written employment agreement for every licensee who is employed by or affiliated with

the sponsoring broker. A copy of the employment agreement for each sponsored licensee at a branch office shall be maintained at the respective branch office.

5) Records reflecting the payment of compensation for the performance of licensed activities shall be maintained for 5 years.

b) If the records are kept electronically, the sponsoring broker shall ensure that a back up is made. In the case of escrow records, the back up shall be made at least monthly. The monthly reconciliation, including its worksheet, shall be printed out and maintained by hard copy. The journal shall be reduced to hard copy at least monthly.

(Source: Amended at 30 Ill. Reg. 11075, effective June 8, 2006)