

**State of Montana**  
**Property Management Pre-Licensing Course**  
**Montana Property Management Regulations Test**

1. A separate trust account must be kept for each property managed by a licensed property manager. T or F Code:
2. A property manager must keep an individual accounting ledger for each owner and tenant. T or F Code:
3. Property managers never keep personal funds in a company trust account. T or F Code:
4. Trust accounts need more than one authorized person to sign on the account. T or F Code:
5. Property managers must have a CPA audit their trust accounts on a quarterly basis. T or F Code:
6. Any type of account can be used as a trust account – it does not have to be designated as one. T or F Code:
7. All rents must be deposited into the trust account within 5 business days. T or F Code:
8. Security and pet deposits are to be kept in a designated trust account. T or F Code:
9. Money to be deposited into the trust account at a place of business must be deposited by the 3<sup>rd</sup> business day after receipt. T or F Code:
10. As long as monies are deposited into the trust account by the 10<sup>th</sup> of each month, no regulations have been broken. T or F Code:
11. Trust account money can be used to pay for the property manager's costs involving the management of the property, such as license renewal fees. T or F Code:
12. Money kept in a trust account may be used to pay the property management fees. T or F Code:
13. Property managers are required to attend 8 hours of continuing education each year. T or F Code:

14. All new property management licensees are required to complete 12 hours of property management continuing education by the second renewal date T or F Code:
15. Continuing education course instructors supply the property manager with a course completion certificate which may be used to support the information on education reporting. T or F Code:
16. The agency relationship of a property manager must be disclosed to any and all potential tenants. T or F Code:
17. It is the responsibility of the property manager to assist the tenant in the interpretation of legal documents. T or F Code:
18. Your property management license will expire if you do not renew by October 31<sup>st</sup> each year. T or F Code:
19. You must maintain the bank statements for your trust accounts for a period of 3 years. T or F Code:
20. Accounting documents pertaining to your trust accounts must be kept on file for eight years. T or F Code:
21. After passing the licensing exam, property managers must submit proof of their trust account information in order to receive their license. T or F Code:
22. Property management licensees must include a felony background check with their letters of recommendation in order to pass licensing requirements. T or F Code:
23. You have until January 15<sup>th</sup> to pay the fee and complete your late renewal. T or F Code:
24. Property managers may keep personal funds of up to \$1000 in a company trust account. T or F Code:
25. Property managers have up to 10 days to get a signed management agreement after beginning to conduct property management activity and advertising on behalf of the owner. T or F Code:
26. You do not have to have your company name or property manager on a "FOR RENT" sign, if it is placed in the apartment window. T or F Code:
27. The property manager is required to inform all prospective tenants of any registered sexual or violent offenders who reside in proximity to a rental unit. T or F Code:

28. A licensed property manager is responsible for the actions of their employees in the performance of their duties in property management functions. T or F Code:
29. When transferring a license from one location to another, you must submit a written notification to the Department of Labor and pay the required fee. T or F Code:
30. All monies belonging to the property manager must be withdrawn within 10 days of due and payable from the Trust Account. T or F Code:
31. If an owner does not have sufficient funds in their trust account to pay for the taxes on their property, the property manager can pay the taxes if there is money in the trust account. T or F Code:
32. Each active licensee is required to complete a minimum of 12 hours of continuing property management education every licensing year between November 1 and October 31. T or F Code:
33. Interpreting legal documents is just one of the functions of a property manager. T or F Code:
34. Failure to submit license renewal by the late renewal deadline will result in the automatic expiration of the license. T or F Code:
35. One of the exceptions to the licensing requirements is the showing of rentals by the office administrative assistant. T or F Code:
36. All continuing education courses are followed by an exam. T or F Code:
37. When changing a license from inactive to active status, you must provide 12 hours of continuing education. T or F Code:
38. Inactive/Suspended licensees must renew their inactive licenses annually. T or F Code:
39. All newly licensed property managers are required to complete six hours of mandatory continuing education by the second renewal date. T or F Code:
40. Inactive property managers must report their continuing education hours annually. T or F Code:
41. A licensee must complete 90% of each continuing education hour. T or F Code:
42. A lapsed license cannot be used until it is renewed. T or F Code:

43. To activate an inactive license, the licensee must submit proof of completing 24 hours of continuing education within the previous 24 months before the license can be reinstated. T or F Code:
44. When the property management agreement is terminated, but the rental agreement is still in effect, and the licensee is holding funds deposited by a tenant, the licensee shall notify the tenant in writing within five business days of termination of the agreement. T or F Code:
45. The only funds that need to be deposited in a trust account are security deposits. T or F Code:
46. A property manager cannot use trust account funds for company bills. T or F Code:
47. If the property manager deposits personal funds in the trust account, they can pay a personal bill directly from the trust account. T or F Code:
48. The property manager is responsible for maintaining trust accounts in compliance with the trust accounting rules and regulations. T or F Code:
49. A licensed property manager is not responsible for the actions of their employees who aid or assist the property manager in the performance of property management functions. T or F Code:
50. Property-related expenses such as mortgages can be paid out of the trust account if designated in writing by the property owner. T or F Code:
51. A property manager will receive disciplinary action against their license if theft from the trust account occurs. T or F Code:

**41 Correct = 80%**