

# Trust Accounts

**1. What is the maximum amount of personal funds that can be held in the trust account?**

- A) \$1,000
- B) \$500
- C) \$2,500
- D) \$2,000

**2. When must property managers deposit funds into the trust account?**

- A) Within 3 business days
- B) Within 1 business day
- C) Within 7 business days
- D) Within 5 business days

**3. How long must records related to trust account funds be maintained?**

- A) 10 years
- B) 8 years
- C) 5 years
- D) 7 years

**4. What must property managers do within five business days of terminating the property management agreement?**

- A) Transfer funds to another property manager
- B) File a termination report with the state
- C) Notify the tenant in writing
- D) Close the trust account

**5. What should be included in the records for each transaction in the trust account?**

- A) Transaction type, date and amount
- B) Party details and date
- C) Dates, parties, payees, amounts and source of funds
- D) Running balance and amounts

**6. What characteristics must the trust account possess?**

- A) It must be liquid and accessible
- B) It must be a sweep account
- C) It must be non-interest bearing
- D) It must be an investment account

**7. What information must property managers provide to tenants regarding the transfer of funds after termination?**

- A) Bank details of the trust account
- B) A detailed account statement
- C) A list of all property owners
- D) Name and contact info of the person receiving the transfer

**8. What is a requirement for managing multiple properties in terms of account maintenance?**

- A) No ledgers are required
- B) Keep all records in one general ledger
- C) Have individual ledgers for each owner/property
- D) Only one ledger is needed regardless of properties

**9. What is the timeframe within which property managers must transfer tenant funds and files to the property owner/ management company after termination?**

- A) 30 days
- B) 15 days
- C) 14 days
- D) 20 days

**10. When should property managers deposit monies belonging to others into a trust account?**

- A) Within three business days.
- B) Immediately upon receipt.
- C) At the earliest convenience of the property manager.
- D) Within five business days.

- 11. How must interest accrued in a trust account be handled?**
- A) It cannot be divided among property managers.
  - B) It can be used for property expenses.
  - C) It must be identified as consideration for services performed.
  - D) It must always belong to the property owner.
- 12. What is the maximum amount of personal funds that can be held in a trust account?**
- A) No limit on personal funds.
  - B) Up to \$1,000.
  - C) Up to \$2,000.
  - D) Up to \$500.
- 13. In which scenario must property managers, that own the rental unit, deposit rents into a trust account?**
- A) If they own 100 percent of the property.
  - B) If tenants request it.
  - C) If they own less than 100 percent of the property.
  - D) If rents exceed \$1,000.
- 14. What is required for all disbursements from a trust account?**
- A) They can be made at the property manager's discretion.
  - B) They must be reserved for property maintenance only.
  - C) They must be fully authorized in the management agreement.
  - D) They can be made without prior notice.
- 15. Who is responsible for compliance with trust account regulations?**
- A) Only the designated licensed property manager.
  - B) All property managers involved.
  - C) The bank handling the trust account.
  - D) The property owner.

- 16. What can personal funds be used for in a trust account?**
- A) For investing in stocks.
  - B) To pay property taxes.
  - C) To cover trust account maintenance expenses.
  - D) For personal expenditures unrelated to the property.
- 17. What action must be taken once money due to the property manager becomes payable?**
- A) Withdraw the funds within ten business days.
  - B) Leave the funds in the account indefinitely.
  - C) Withdraw the funds immediately.
  - D) Withdraw the funds within 30 days.
- 18. What is the primary purpose of a Trust Account?**
- A) To try not to mix funds from different property owners
  - B) To manage the property manager's personal funds
  - C) To separate funds held in trust from property managers' operating funds
  - D) To provide loans to property owners
- 19. How many Trust Accounts are required?**
- A) Two, but they must both be a sweep account
  - B) As many accounts as there are properties under management
  - C) At least one account, with individual ledgers for each property or owner
  - D) One account for each tenant
- 20. What is meant by the term 'comingling' in relation to Trust Accounts?**
- A) Transferring funds between different accounts regularly
  - B) Mixing funds that belong to different owners or tenants
  - C) Keeping all funds in a single account for simplicity
  - D) Separating personal funds from business funds