

Instructions for Submitting Trust Account Reconciliations and Supporting Documents

What is required?

Your consent order requires that you submit periodic (monthly or quarterly) trust account reconciliations along with supporting documents. The supporting documentation must be submitted for every month of the reporting period. The supporting documents generally include:¹

1. Complete (all pages) bank statements for each trust account.
2. Reconciliation reports (a list of uncleared deposits and checks/disbursements) for each trust account.
3. Receipts & Disbursements Journal or check register for each trust bank account.
4. Consolidated Owners Ledger or list by owner of all monies held for owners at the end of the month.
5. Deposit Ledger, which is a list by tenant, owner or property of all security, pet, cleaning and other deposits held at the end of the month.
6. Other Trust Liabilities Report, which is a listing of “other trust account liabilities” such as prepaid rents, occupancy taxes, etc. held at the end of the month.
 - Items 3, 4 & 5 are sometimes contained in a single report depending on your PM accounting software.

Due Dates:

All submissions are due by the fifteenth (15th) of the month following the close of the submission period. If the 15th falls on a weekend or holiday, your submission is due the next business day.

How to prepare the reconciliation package for submittal:

1. Trust accounts reconciliations must be done using AZDRE form [AUD-101](#), available on the Departments website [click here](#). To see an example of a completed AUD-101 for a single trust account [click here](#). The example assumes the uncleared items in Part 1, schedules A & B were obtained from a bank account reconciliation report. If you do not have such a report, you must list individual outstanding checks and other debits on Schedule A and list all uncleared deposits on schedules B. The example assumes total owner funds (Schedule C) and total tenant funds (Schedule D) were obtained from monthly reports. If you do not have such reports, you must list individual balances on Schedules C & D. If you combine “other liabilities,” such as prepaid rents or taxes due into owner or tenant funds, use the “explanation” area to provide a breakdown. For example “owner funds included \$35,000 of owner reserves and \$50,000 of prepaid rents.”
2. Clearly label all documents and reports used in the reconciliation as exhibits, with the Bank Statements always being exhibit A.

¹ You may be required to submit additional documents beyond those listed above.

3. You are required to submit a trust account reconciliation form (AUD-101) for each trust bank account and one for all accounts combined. For example, if you have an owner's account and a security deposits account, you must submit a reconciliation form for each account and a reconciliation that combines the totals from both accounts.^{2 3}

How to submit your information:

You may submit your documents in hard copy however, the Department encourages you to submit records in electronically via USB, CD or, with prior approval⁴, via email. Whether submitting documents in hard copy or electronically, you must still follow the requirements set forth below:

1. **File Type:** generally, electronic records may be submitted in excel or pdf format. When possible, submit property management reports in excel format. Do not submit records in any picture or other format that requires viewing or printing one page at a time.
 2. **Folder & File Names:** all folders and files must be named in a manner that allows for easy identification of the month and nature of the records. Submissions containing folders or files that do not clearly indicate the month and/or type of records will be rejected as non-compliant with Order.
 3. **Folder & File Organization:**
 - Create a folder for each month of the submission period.
 - Within the month folder, create a subfolder for each trust bank account identifying the account by name and number i.e. "owner's trust #1234" or "security deposits #5678" or "tax account 9101."
 - Within the bank account folder, create files containing:
 - i. Bank statement
 - ii. Bank account reconciliation report or list of uncleared items.
 - iii. Receipts & disbursements journal (check register) for that account.
 - iv. The completed AUD-101 form for that account.
 - Within the month folder, create a file for the "consolidated trust account reconciliation" (the AUD-101 that combines all trust accounts).
 - Within the month folder, create and clearly identify files for the other reports and documents used in the reconciliation process such as "Owner Balances –month", "Security Deposits-month," "Prepaid Rents-month" etc.
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- Repeat the process for each month of the submission period.**
- Create a clearly labeled folder for a scanned copy of your notarized COM-103 form. The original must be sent to the Compliance Officer along with your records.
 - Create and clearly identify folders and files for any other documents you are required to submit such as account signature cards etc.

² You are not required to complete schedules A, B, C & D for the combined accounts reconciliation.

³ If you maintain separate bank accounts for each owner or property, do not submit the combined accounts reconciliation.

⁴ Submit your request to provide records via email to the Compliance Officer.

Failure to follow the above instruction when submitting trust account reconciliations is considered non-compliance with the Consent Order and may result in your case being referred to the Attorney General's office for further disciplinary action.