

Title	Demonstrate knowledge of managing a trust account for a real estate business		
Level	5	Credits	5

Purpose	<p>This unit is for people who intend to operate as branch managers or agents in the real estate industry.</p> <p>People credited with this unit standard are able to:</p> <ul style="list-style-type: none"> – demonstrate knowledge of managing a trust account in a real estate business; and – demonstrate knowledge of maintaining records of transactions and account for funds.
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Classification	Real Estate > Real Estate Management
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Available grade	Achieved
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Guidance Information

- 1 Legislation and regulations relevant to this standard include:
 - Consumer Guarantees Act 1993;
 - Fair Trading Act 1986;
 - Human Rights Act 1993;
 - Lawyers and Conveyancers Act (Trust Account) Regulations 2008;
 - Overseas Investment Act 2005;
 - Overseas Investment Regulations 2005;
 - Privacy Act 2020;
 - Real Estate Agents Act 2008;
 - Real Estate Agents (Audit) Regulations 2009;
 - and all subsequent amendments and replacements.
- 2 References
 - The Real Estate Authority Code of Conduct, available at <https://www.rea.govt.nz/real-estate-professionals/education-and-obligations/the-code-of-conduct/>
 - The Real Estate Institute of New Zealand Codes of Practice, available at <https://reinz.co.nz/code-of-practice>.
- 3 Definitions
 - Act* refers to the Real Estate Agents Act 2008.
 - Agency work* refers to any work done, or services provided, in trade, on behalf of another person for the purpose of bringing about a transaction as defined in the Real Estate Agents Act 2008.
 - Industry requirements* refer to all actions by licensees and employees which must comply with relevant professional standards, legislation, and rules made under the provision of applicable legislation.

Real estate business refers to a business that conducts real estate agency work as defined by the Real Estate Agents Act 2008 for the purpose of bringing about a transaction.

4 Assessment

Evidence provided for assessment against this unit standard must be derived from a real or a simulated workplace situation, provided the simulation reflects industry requirements and requires performance that replicates a real working environment.

Outcomes and performance criteria

Outcome 1

Demonstrate knowledge of managing a trust account in a real estate business.

Performance criteria

1.1 Describe the requirements of the licensee responsible for a trust account, consistent with agency procedures and applicable legislation.

Range requirements include but are not limited to – fiscal management, daily processes, depositing and releasing of funds, audits, reconciliations, obligation to keep records in respect of trust accounts, trust accounts not be overdrawn.

1.2 Describe requirements in terms of changes in circumstances relating to the trust account in accordance with the Act.

Range change in circumstances includes but is not limited to – change of business ownership, change of personnel, change of auditors.

1.3 Explain the process to reconcile company and bank records in accordance with the Act.

Range evidence of a monthly reconciliation to the cashbook, to the bank statement, individual ledger balances is required.

1.4 Describe the requirements for property management transactions in relation to trust accounts, consistent with applicable legislation.

Outcome 2

Demonstrate knowledge of maintaining records of transactions and account for funds.

Performance criteria

2.1 Create an outline of the process of collecting and managing trust account transactions, in accordance with the Real Estate Agents (Audit) Regulations 2009.

Range evidence of a written outline of the collection and management of trust account transactions is required.

2.2 Create an outline of the process of collecting and managing written records of transactions within prescribed timeframes, in accordance with the Act.

Range evidence of a written outline of the collection and management of written records of transaction is required.

2.3 Analyse the process of preparing and providing statements of account for a trust account, in accordance with the Act.

Planned review date	31 December 2026
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Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	27 July 1995	31 December 2013
Review	2	26 March 1996	31 December 2013
Revision	3	13 November 1997	31 December 2013
Review	4	19 January 1999	31 December 2013
Review	5	18 December 2006	31 December 2013
Review	6	12 February 2010	31 December 2013
Rollover and Revision	7	16 August 2012	31 December 2019
Review	8	26 October 2017	30 June 2023
Review	9	29 July 2021	N/A

Consent and Moderation Requirements (CMR) reference	0003
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

Comments on this unit standard

Please contact The Skills Organisation reviewcomments@skills.co.nz if you wish to suggest changes to the content of this unit standard.