TRUST ACCOUNT THREE-WAY RECONCILIATION

Larkspur Property Management (fictional)

Clients' Trust Account ...2207 · October 1, 2026 to November 30, 2026

> Demo on fictional data. Read-only: nothing was posted. Every amount below comes from, or is computed from, rows in the exports listed under "Data used", or the rates and limits set in the client profile.

At a glance

October 31, 2026

I. Adjusted bank balance	$40,190.00
II. Register balance	$40,190.00
III. Sum of the ledgers	$40,190.00
I minus II	**$0.00**
II minus III	$0.00

Three balances agree

4 findings dated this month

November 30, 2026

I. Adjusted bank balance	$29,325.00
II. Register balance	$32,736.00
III. Sum of the ledgers	$32,736.00
I minus II	**-$3,411.00**
II minus III	$0.00

Differences fully attributed to E01, E05, E11

9 findings dated this month

Findings

11	**To fix**	rule problems or missing entries
2	**Needs a decision**	follow up
0	**Unexplained**	never plugged
7	**Timing**	in transit or outstanding

Three-way reconciliation by month end

Laid out like the Oregon Real Estate Agency's reconciliation form: Part I adjusts the bank statement for items in transit, Part II is the register, Part III adds up the ledgers (positive balances only, so a negative ledger shows as a shortage). Parts I, II and III must agree on the same date; Part IV explains any difference.

OPENING: SEPTEMBER 30, 2026

Part I. Bank statement balance	**$33,720.00**
Add: deposits in transit	$0.00
Less: outstanding checks and transfers	$310.00
Sep 29 check 3101 (Copperline Electric)	$310.00
Adjusted bank balance	**$33,410.00**
Part II. Register balance	**$33,410.00**
Part III. Sum of the ledgers	**$33,410.00**
Broker funds	$88.00
Security deposit ledgers	$16,600.00
Owner ledgers	$16,722.00
Part IV. Differences	
I minus II	**$0.00**
Not tied to any finding	$0.00
II minus III	**$0.00**
Not tied to any finding	$0.00

OCTOBER 31, 2026

Part I. Bank statement balance	**$40,683.00**
Add: deposits in transit	$3,800.00
Oct 31 deposit D-1031 (Corin Ashdown, Soren Kettering)	$3,800.00
Less: outstanding checks and transfers	$4,293.00
Oct 9 check 3102 (Mirabel Osei)	$1,932.00
Oct 29 check 3104 (Brightline Plumbing)	$385.00
Oct 31 transfer MF-202610 (Larkspur Property Management)	$1,976.00
Adjusted bank balance	**$40,190.00**
Part II. Register balance	**$40,190.00**
Part III. Sum of the ledgers	**$40,190.00**
Broker funds	$726.00
Security deposit ledgers	$17,900.00
Owner ledgers	$21,564.00
Part IV. Differences	
I minus II	**$0.00**
Not tied to any finding	$0.00
II minus III	**$0.00**
Not tied to any finding	$0.00

Prepared by _____ Date _____

Reviewed by _____ Date _____

Corrective action taken _____

NOVEMBER 30, 2026

Part I. Bank statement balance	**$28,747.00**
Add: deposits in transit	$2,750.00
Nov 30 deposit D-1130 (Corin Ashdown, Halcyon Ivers)	$2,750.00
Less: outstanding checks and transfers	$2,172.00
Oct 9 check 3102 (Mirabel Osei)	$1,932.00
Nov 30 check 3108 (Ridgeway Landscaping)	$240.00
Adjusted bank balance	**$29,325.00**
Part II. Register balance	**$32,736.00**
Part III. Sum of the ledgers	**$32,736.00**
Broker funds	$726.00
Security deposit ledgers	$17,900.00
Owner ledgers	$14,110.00
Part IV. Differences	
I minus II	**-$3,411.00**
E01 Owner distribution paid but not recorded: Teodora Vance	-$1,974.00
E05 Returned rent payment not reversed: Tamsin Brightwell	-$1,425.00
E11 Bank fee not recorded in the register	-$12.00
Not tied to any finding	$0.00
II minus III	**$0.00**
Not tied to any finding	$0.00

Prepared by _____ Date _____

Reviewed by _____ Date _____

Corrective action taken _____

A month's reconciliation is complete once it is reviewed, signed and dated, with any corrective action noted; several states require this.

What to fix

ID	WHAT HAPPENED	AMOUNT	LEDGER	DATE
E01	Owner distribution paid but not recorded: Teodora Vance	$1,974.00	Owner: Teodora Vance	Nov 10
E02	Security deposit booked as rent: Esme Calloway	$1,500.00	Owner: Quentin Aldridge	Oct 28

E03	Negative ledger: Owner: Mirabel Osei	$1,480.00	Owner: Mirabel Osei	Nov 12
E04	Payment from Maren Fairbanks posted to Juno Redfern	$1,450.00	Owner: Quentin Aldridge	Nov 2
E05	Returned rent payment not reversed: Tamsin Brightwell	$1,425.00	Owner: Quentin Aldridge	Nov 9
E06	Broker's own income deposited into the trust account	$650.00	Company: Larkspur PM	Oct 20
E07	Management fee taken early: Bellweather Holdings LLC, November 2026	$128.00	Owner: Bellweather Holdings LLC	Nov 2
E08	Management fee charged on a security deposit: Quentin Aldridge, October 2026	$120.00	Owner: Quentin Aldridge	Oct 31
E09	Management fee charged to the wrong owner: Quentin Aldridge, November 2026	$116.00	Owner: Quentin Aldridge	Nov 30
E10	Management fee charged on returned rent: Quentin Aldridge, November 2026	$114.00	Owner: Quentin Aldridge	Nov 30
E11	Bank fee not recorded in the register	$12.00	Company: Larkspur PM	Nov 30
R01	Check 3102 outstanding for 52 days	$1,932.00	Owner: Mirabel Osei	Oct 9
R02	Management fee not charged on a receipt booked to another owner: Harlan Wexford, November 2026	$116.00	Owner: Harlan Wexford	Nov 30

E01 Owner distribution paid but not recorded: Teodora Vance — $1,974.00

ACH DEBIT OWNER DIST VANCE T took $1,974.00 out of the trust account on Nov 10, but the register has no distribution to Teodora Vance. The owner's ledger still shows money that was already paid out, so a later distribution could pay it twice.

SUGGESTED FIX (NOT POSTED)

LEDGER OR ACCOUNT	DEBIT	CREDIT
Owner: Teodora Vance	$1,974.00	
Trust bank account		$1,974.00

Record the distribution on its bank date.

EVIDENCE

Bank Bank statement row 36 · Nov 10 · -$1,974.00
ACH DEBIT OWNER DIST VANCE T

Next action: Record it; confirm the amount with the owner statement.

E02 Security deposit booked as rent: Esme Calloway — $1,500.00

Esme Calloway's lease calls for a $1,500.00 security deposit, but no deposit ledger for Esme Calloway is in the register or the ledger reports. The move-in receipts total $3,000.00 and were all booked as rent to Owner: Quentin Aldridge, $1,500.00 more than the first month's rent. Owner: Quentin Aldridge has held at least $1,500.00 at every day's end since, so the deposit can be moved to the deposit ledger without Owner: Quentin Aldridge going below zero.

Related: E08

SUGGESTED FIX (NOT POSTED)

LEDGER OR ACCOUNT	DEBIT	CREDIT
Owner: Quentin Aldridge	$1,500.00	
Deposit: Esme Calloway		$1,500.00

After all the suggested fixes Owner: Quentin Aldridge holds $454.00, so no money has to come back from the owner; show the adjustment on the next owner statement.

EVIDENCE

Rent roll Rent roll Nov 30 row 13
Esme Calloway: deposit per lease $1,500.00, deposit held $0.00 (rent roll)

Register Trust register row 42 · Oct 28 · $1,500.00
Receipt R5040, Esme Calloway, Owner: Quentin Aldridge, Rent, First month rent (November), deposit ACH-1028-T12

Register Trust register row 43 · Oct 28 · $1,500.00
Receipt R5041, Esme Calloway, Owner: Quentin Aldridge, Rent, Move-in funds, deposit ACH-1028-T12

Next action: Move the deposit to the tenant's deposit ledger.

E03 **Negative ledger: Owner: Mirabel Osei** **$1,480.00**

Owner: Mirabel Osei went below zero from Nov 12 to Nov 15, lowest -$1,480.00 on Nov 12 (end-of-day balances). Payments for this owner used other clients' money while the balance was negative. Trust rules generally require that no ledger be paid beyond the money it holds.

SUGGESTED FIX (NOT POSTED)

No entry; a decision is needed.

EVIDENCE

Register Trust register row 66 · Nov 12 · -$1,980.00
Check 3107, Kestrel Water Heaters, Owner: Mirabel Osei, Repairs, Water heater replacement

Computed computed · Nov 12 · -$1,480.00
Owner: Mirabel Osei balance at the end of Nov 12

Next action: Collect the funds from the owner before paying bills, or have the broker cover the shortfall as your state requires; document it.

E04 **Payment from Maren Fairbanks posted to Juno Redfern** **$1,450.00**

The bank shows $1,450.00 on Nov 2 from Maren Fairbanks (ACH CREDIT FAIRBANKS M RENT PMT), but receipt R5052 records it as a payment from Juno Redfern on Owner: Quentin Aldridge. Owner: Quentin Aldridge is overstated and Owner: Harlan Wexford understated by $1,450.00; Maren Fairbanks shows as owing rent that was paid, and Juno Redfern shows a credit.

Related: E09, R02

SUGGESTED FIX (NOT POSTED)

LEDGER OR ACCOUNT	DEBIT	CREDIT
Owner: Quentin Aldridge	$1,450.00	
Owner: Harlan Wexford		$1,450.00

Re-apply receipt R5052 to Maren Fairbanks's unit.

EVIDENCE

Bank Bank statement row 27 · Nov 2 · $1,450.00
ACH CREDIT FAIRBANKS M RENT PMT

Register Trust register row 54 · Nov 2 · $1,450.00
Receipt R5052, Juno Redfern, Owner: Quentin Aldridge, Rent, Rent, deposit ACH-1102-T2

Rent roll Rent roll Nov 30 row 3
Maren Fairbanks: balance due $1,450.00 on the latest rent roll

Rent roll Rent roll Nov 30 row 11
Juno Redfern: balance due -$1,450.00 on the latest rent roll

Next action: Re-apply the receipt and correct both owner statements.

E05 **Returned rent payment not reversed: Tamsin Brightwell** **$1,425.00**

The bank returned $1,425.00 on Nov 9 (RETURNED DEPOSITED ITEM). The only deposited item of $1,425.00 in the 20 days before is Tamsin Brightwell's payment R5057 of Nov 3, deposited on Nov 3 in deposit D-1103. If the bank's return notice confirms it, the register still counts it as received: Owner: Quentin Aldridge is overstated by $1,425.00 and the tenant shows as paid.

Related: E10

SUGGESTED FIX (NOT POSTED)

LEDGER OR ACCOUNT	DEBIT	CREDIT
Owner: Quentin Aldridge	$1,425.00	
Trust bank account		$1,425.00

Once the return notice confirms it, enter an NSF reversal of receipt R5057; the tenant owes the rent again. Recover anything already paid out of it.

EVIDENCE

Bank Bank statement row 35 · Nov 9 · -$1,425.00
RETURNED DEPOSITED ITEM

Register Trust register row 59 · Nov 3 · $1,425.00
Receipt R5057, Tamsin Brightwell, Owner: Quentin Aldridge, Rent, Rent, deposit D-1103

Bank Bank statement row 30 · Nov 3 · $4,600.00
DEPOSIT

Next action: Confirm with the bank's return notice, then reverse the receipt and notify the tenant.

E06 **Broker's own income deposited into the trust account** **$650.00**

$650.00 of the broker's own income was deposited into the trust account and recorded on Company: Larkspur PM (Leasing Fee Income from Pinecrest Rentals LLC, Oct 20). It has been in trust since Oct 20 (41 days at Nov 30). At Nov 30 Company: Larkspur PM holds $726.00; the profile allows $100.00 of broker funds (to cover bank charges). Once the income is moved out (and with the other suggested fixes) it holds $64.00, within the allowance. Broker income does not belong in a trust account: most states treat it as commingling, even where some broker funds are allowed for bank charges.

SUGGESTED FIX (NOT POSTED)

LEDGER OR ACCOUNT	DEBIT	CREDIT
Company: Larkspur PM	$650.00	
Trust bank account (transfer out to operating)		$650.00

Transfer it to the operating account and deposit broker income there in future.

EVIDENCE

Register Trust register row 39 · Oct 20 · $650.00
Receipt R7020, Pinecrest Rentals LLC, Company: Larkspur PM, Leasing Fee Income, Leasing fee, 18 Oak St, deposit D-1020

Next action: Transfer it out, after any transfers back into trust (see the order under the ledger table).

E07 **Management fee taken early: Bellweather Holdings LLC, November 2026** **$128.00**

$510.00 of management fees were taken from Owner: Bellweather Holdings LLC for November 2026, the first on Nov 2 when only $1,600.00 of that month's rent had been collected. At 8% of the $4,775.00 actually collected the fee is $382.00, so $128.00 was taken on rent not received. Unpaid rent on the rent roll: Garnet Lindqvist $1,600.00.

SUGGESTED FIX (NOT POSTED)

LEDGER OR ACCOUNT	DEBIT	CREDIT
Trust bank account (transfer in from operating)	$128.00	
Owner: Bellweather Holdings LLC		$128.00

Transfer the excess back into the trust account and credit the owner; take the fee when the rent is collected. In the broker's own books: management fee income, debit; operating cash, credit.

EVIDENCE

Register Trust register row 53 · Nov 2 · -$510.00
Transfer MF-202611-O3, Larkspur Property Management, Owner: Bellweather Holdings LLC, Management Fee, Management fee November 8%

Rent roll Rent roll Nov 30 row 8
Garnet Lindqvist (9 Ash Lane 3): rent of $1,600.00, balance due $1,600.00

Next action: Return the excess to the trust account now.

E08 **Management fee charged on a security deposit: Quentin Aldridge, October 2026** **$120.00**

The October 2026 fee for Quentin Aldridge was worked out on $5,875.00 booked as rent, which includes Esme Calloway's security deposit of $1,500.00 (see the related finding). $120.00 of the fee (8% of $1,500.00) was charged on money that was not collected rent and belongs to the owner.

Related: E02

SUGGESTED FIX (NOT POSTED)

LEDGER OR ACCOUNT	DEBIT	CREDIT
Trust bank account (transfer in from operating)	$120.00	
Owner: Quentin Aldridge		$120.00

The broker returns it from the operating account (in the broker's own books: management fee income, debit; operating cash, credit).

EVIDENCE

Register Trust register row 52 · Oct 31 · -$470.00
Transfer MF-202610, Larkspur Property Management, Owner: Quentin Aldridge, Management Fee, Management fee October 8%

Next action: Return the fee to the trust account and credit the owner.

E09 Management fee charged to the wrong owner: Quentin Aldridge, November 2026 — $116.00

Maren Fairbanks's payment R5052 of $1,450.00 belongs to Harlan Wexford but was booked to Owner: Quentin Aldridge (see the related finding), and the November 2026 fees followed the booking: Quentin Aldridge was charged $116.00 too much on money that was not its rent, and Harlan Wexford $116.00 too little.

Related: E04, R02

SUGGESTED FIX (NOT POSTED)

LEDGER OR ACCOUNT	DEBIT	CREDIT
Owner: Harlan Wexford	$116.00	
Owner: Quentin Aldridge		$116.00

Move the fee with the receipt.

EVIDENCE

Register Trust register row 73 · Nov 30 · -$346.00
Transfer MF-202611, Larkspur Property Management, Owner: Quentin Aldridge, Management Fee, Management fee November 8%

Register Trust register row 71 · Nov 30 · -$220.00
Transfer MF-202611, Larkspur Property Management, Owner: Harlan Wexford, Management Fee, Management fee November 8%

Next action: Correct both owners' fees when the receipt is re-applied.

E10 Management fee charged on returned rent: Quentin Aldridge, November 2026 — $114.00

The November 2026 fee for Quentin Aldridge was worked out on $4,325.00 booked as rent, which includes Tamsin Brightwell's returned payment R5057 of $1,425.00 (see the related finding). $114.00 of the fee (8% of $1,425.00) was charged on money that was not collected rent and belongs to the owner.

Related: E05

SUGGESTED FIX (NOT POSTED)

LEDGER OR ACCOUNT	DEBIT	CREDIT
Trust bank account (transfer in from operating)	$114.00	
Owner: Quentin Aldridge		$114.00

The broker returns it from the operating account (in the broker's own books: management fee income, debit; operating cash, credit).

EVIDENCE

Register Trust register row 73 · Nov 30 · -$346.00
Transfer MF-202611, Larkspur Property Management, Owner: Quentin Aldridge, Management Fee, Management fee November 8%

Next action: Return the fee to the trust account and credit the owner.

E11 Bank fee not recorded in the register — $12.00

The bank charged $12.00 on Nov 30 (SERVICE FEE). The register has no matching entry, so the books show $12.00 more than the bank holds.

SUGGESTED FIX (NOT POSTED)

LEDGER OR ACCOUNT	DEBIT	CREDIT
Company: Larkspur PM	$12.00	
Trust bank account		$12.00

Record it against the broker's funds ledger, or as your state's rules and the management agreement require.

EVIDENCE

Bank Bank statement row 43 · Nov 30 · -$12.00
SERVICE FEE

Next action: Record the fee; top up the broker's funds from the operating account if your state requires it.

R01 Check 3102 outstanding for 52 days — $1,932.00

$1,932.00 to Mirabel Osei was recorded on Oct 9 and was still outstanding at the month end (52 days at Nov 30; the profile's limit is 30 days). It had not cleared by Dec 3 (end of the bank data). Check 3106, to the same payee for the same amount, cleared on Nov 17; confirm 3102 is not a duplicate before reissuing it.

Related: T04

SUGGESTED FIX (NOT POSTED)

No entry; a decision is needed.

EVIDENCE

Register Trust register row 33 · Oct 9 · -$1,932.00
Check 3102, Mirabel Osei, Owner: Mirabel Osei, Owner Distribution, Owner draw September

Next action: Contact the payee; void and reissue if it was lost. If it cannot be delivered, follow your state's rules for unclaimed funds.

R02 Management fee not charged on a receipt booked to another owner: Harlan Wexford, November 2026 — $116.00

Maren Fairbanks's payment R5052 of $1,450.00 belongs to Harlan Wexford but was booked to Owner: Quentin Aldridge (see the related finding), and the November 2026 fees followed the booking: once the receipt is moved, Harlan Wexford's November 2026 fee is $116.00 below the agreed rate on the rent it collected. The entry is under the related finding.

Related: E04, E09

SUGGESTED FIX (NOT POSTED)

No entry; a decision is needed.

EVIDENCE

Register Trust register row 71 · Nov 30 · -$220.00
Transfer MF-202611, Larkspur Property Management, Owner: Harlan Wexford, Management Fee, Management fee November 8%

Next action: Charge the fee when the receipt is re-applied, if the management agreement allows.

Ledgers the fixes would change (Nov 30, 2026)

Books: each ledger as the register shows it (the opening ledger report plus the register rows); where the ledger report says otherwise, its figure is shown under the name. After: once the suggested fixes are made. Ledgers not listed are unchanged. All ledgers together: $32,736.00 in the books, $29,037.00 after the fixes.

LEDGER	BOOKS	FIXES	AFTER
Company: Larkspur PM	$726.00	-$662.00	$64.00
Deposit: Esme Calloway	$0.00	+$1,500.00	$1,500.00
Owner: Bellweather Holdings LLC	$4,525.00	+$128.00	$4,653.00
Owner: Harlan Wexford	$2,680.00	+$1,334.00	$4,014.00
Owner: Quentin Aldridge	$4,479.00	-$4,025.00	$454.00
Owner: Teodora Vance	$1,974.00	-$1,974.00	$0.00

TIE TO THE BANK

Part I, adjusted bank balance at Nov 30	$29,325.00
Add: transfers the fixes bring into the trust account	$362.00
Less: transfers the fixes take out of the trust account	$650.00
Equals all ledgers after the fixes	$29,037.00

Order of the transfers: make the transfers into the trust account ($362.00) no later than the transfers out ($650.00). Done the other way round, client money would be $298.00 short in between.

Timing items

Items in transit or recorded on a different day from the bank. They need no entry unless a related finding is named.

ID	ITEM	AMOUNT
T01	**Deposit in transit** $3,800.00 (Corin Ashdown, Soren Kettering) recorded on Oct 31; cleared the bank on Nov 2. Outstanding at Oct 31.	$3,800.00
T02	**Deposit in transit** $2,750.00 (Corin Ashdown, Halcyon Ivers) recorded on Nov 30; cleared the bank on Dec 1. Outstanding at Nov 30.	$2,750.00
T03	**Outstanding transfer or payment** $1,976.00 (Larkspur Property Management) recorded on Oct 31; cleared the bank on Nov 2. Outstanding at Oct 31.	$1,976.00
T04	**Outstanding check 3102** $1,932.00 (Mirabel Osei) recorded on Oct 9; not cleared by Dec 3 (end of the bank data). Outstanding at Oct 31, Nov 30. Related: R01.	$1,932.00

T05	**Outstanding check 3104** $385.00 (Brightline Plumbing) recorded on Oct 29; cleared the bank on Nov 4. Outstanding at Oct 31.	$385.00
T06	**Outstanding check 3101** $310.00 (Copperline Electric) recorded on Sep 29; cleared the bank on Oct 2. Outstanding at Sep 30.	$310.00
T07	**Outstanding check 3108** $240.00 (Ridgeway Landscaping) recorded on Nov 30; cleared the bank on Dec 3. Outstanding at Nov 30.	$240.00

Checked and cleared

Things that look like problems and were checked and found correct. Nothing is listed here if a finding cites the same rows.

- **Owner: Teodora Vance at exactly $0.00 on Oct 9**. A ledger at zero is not negative; no other client's money was used.
- **2 payments of $1,450.00 on Oct 1**. Same amount, same day; each bank line names the tenant whose ledger received it.
- **New tenant Halcyon Ivers: deposit of $1,300.00 held**. The move-in money was split between the security deposit ledger and rent; Deposit: Halcyon Ivers holds $1,300.00 on Nov 30.
- **Management fee October 2026, Bellweather Holdings LLC: $510.00**. Equals 8% of the $6,375.00 rent collected that month, and no fee was taken before the rent it was charged on had arrived.
- **Management fee October 2026, Harlan Wexford: $452.00**. Equals 8% of the $5,650.00 rent collected that month, and no fee was taken before the rent it was charged on had arrived.
- **Management fee October 2026, Mirabel Osei: $168.00**. Equals 8% of the $2,100.00 rent collected that month, and no fee was taken before the rent it was charged on had arrived.
- **Management fee November 2026, Mirabel Osei: $168.00**. Equals 8% of the $2,100.00 rent collected that month, and no fee was taken before the rent it was charged on had arrived.
- **Management fee October 2026, Teodora Vance: $376.00**. Equals 8% of the $4,700.00 rent collected that month, and no fee was taken before the rent it was charged on had arrived.
- **Broker funds of $64.00 at Nov 30 after the suggested fixes**. Within the $100.00 allowance set in the profile (to cover bank charges; check your state's limit).
- **$800.00 from Harlan Wexford on Nov 4**. Owner money recorded to Owner: Harlan Wexford, not broker money.
- **Deposit of $12,100.00 on Oct 2**. One bank line for 7 receipts with deposit id D-1002; their sum equals the deposit.
- **Returned item of $1,600.00 on Oct 8**. Reversed in the register on the day the bank returned it.
- **Bank fee of $12.00 on Oct 30**. Recorded in the register.

Data used and checks passed

EXPORT	FILE
Bank statement	trust_bank_statement_2207_2026-09-01_2026-12-04.csv
Trust register	trust_register_2026-09-01_2026-11-30.csv
Ledger balances Sep 30	trust_ledger_balances_2026-09-30.csv
Ledger balances Oct 31	trust_ledger_balances_2026-10-31.csv
Ledger balances Nov 30	trust_ledger_balances_2026-11-30.csv
Rent roll Oct 31	rent_roll_2026-10-31.csv
Rent roll Nov 30	rent_roll_2026-11-30.csv

- Register: 71 rows after a balance forward of $18,700.00 on Sep 1, 2026; the running balance is continuous and no row has both a receipt and a disbursement.
- Bank statement: 46 rows from Sep 1 to Dec 3, 2026; the running balance is continuous.
- Ledger balance reports: 3 month ends; each report's rows add up to its Total row and no ledger appears twice.
- Settings from the client profile: management fee rates per owner; broker funds allowance $100.00; Part III counts positive ledger balances only; deposits in transit followed up after 5 days, checks and transfers after 30 days.

Method and limits

HOW THE RECONCILIATION WORKS

1. Every export is checked against itself first (running balances, report totals, dates). A file that does not add up stops the run, with the file and row named.
2. Register rows are grouped the way the bank sees them (a deposit batch, a check, a transfer) and matched to bank lines from strict to loose: check number; same day with the payer named by the bank; a few days either way with the payer named; same day by amount; a few days by amount. A pair is accepted only when no other pairing is possible. Identical bank lines are paired in order, since every number is the same either way.
3. Part I is the bank balance plus deposits in transit minus outstanding items; Part II the register; Part III the sum of the ledgers. Every difference is tied to the bank lines or ledger rows that cause it; what nothing explains is shown as unexplained. No balancing entries.
4. Each ledger is rebuilt day by day (end-of-day balances) to find negative balances; receipts are checked against the payer the bank names; deposits per lease against deposits held; fees against the agreed rate on rent actually collected, and against when that rent arrived; broker money in trust against the allowance in the profile; outstanding items against age limits at every month end.
5. Suggested fixes are for a person to check and post. The engine never posts.

LIMITS

- Modeled on North Carolina-style rules: one trust account holding rents and tenants' security deposits on separate ledgers, and a broker ledger of a set amount for bank charges. Other states differ: Oregon requires a separate security deposit account and allows no broker funds; Florida allows up to $5,000 of broker funds; California allows $200. The

profile sets the broker funds allowance, whether Part III counts only positive ledgers, and the age limits. Check your state's rules before acting on a finding.

- One trust account and one currency per run. Tenant receivable ledgers, late fees, utilities billed to tenants, interest allocation and year-end reporting are not checked.
- Export layouts are generic; each property management system needs a one-time mapping of its columns, including how owner and security deposit ledgers are named.
- Sources for the method: the Oregon Real Estate Agency's trust account reconciliation form (Parts I, II and III agree on the same date; Part IV explains any difference); the North Carolina Real Estate Commission's case study "Multiple Trust Account Violations"; the Colorado Division of Real Estate's broker financial audit process (common violations: missing journals and ledgers, negative ledger balances).

Produced by software from the exports listed above. Not an audit, a CPA review or legal advice. No regulator or software vendor has reviewed or endorsed it.
