

# Shortfalls and missing property

This bulletin explains the brokerage's obligations related to shortfalls in the real estate trust account and missing property held in trust.

### Shortfalls

If a brokerage determines that there is a shortfall in its real estate trust account, the brokerage must immediately:

- 1. Notify RECO of the shortfall; and,
- 2. Deposit sufficient funds in the account to eliminate the shortfall.

## SHORTFALLS ARISING FROM FINANCIAL INSTITUTION SERVICE FEES

Where the shortfall results from financial institution service fees, a brokerage is not required to notify RECO as long as the shortfall is eliminated as soon as it is discovered.

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## Missing property

A brokerage must keep a written record of having received the property that is not money and that comes into the brokerage's hands in trust for other persons in connection with the brokerage's business. A brokerage must also maintain records of every transaction relating to the property held in trust.

If a brokerage determines that some or all of the property that is not money is missing, the brokerage must immediately:

- 1. Notify RECO of the missing property; and,
- 2. Replace the missing property.

#### Related information

Bulletin No. 8.1 Unclaimed money in the real estate trust account Bulletin No. 8.3 Interest-bearing trust accounts