

2021-2022 General Update Course

Section Six

Broker-in-Charge Best Practices Guide



In addition to those dictated by License Law and Commission Rules, what are some policies you have in your office?

Are there additional issues that should be addressed in your policies and procedures? If so, please explain.

NOTE: Answers to these questions will vary based on individual office and/or company practices.

LEARNING OBJECTIVES

By the end of this section, you should be able to:

- explain the purpose of the Broker-in-Charge Best Practices Guide; and
- identify recommended issues and topics to be addressed in brokerage office policies.

PURPOSE OF THE BROKER-IN-CHARGE BEST PRACTICES GUIDE

Pursuant to Rule 58A. 0110(g), a designated BIC shall:

- (1) assure that each broker employed at the office has complied with Rules .0503, .0504, and .0506 of this Subchapter;
- (2) notify the Commission of any change of firm's business address or trade name and the registration of any assumed business name adopted by the firm for its use;
- (3) be responsible for the conduct of advertising by or in the name of the firm at such office;
- (4) maintain the trust or escrow account of the firm and the records pertaining thereto;
- (5) retain and maintain records relating to transactions conducted by or on behalf of the firm including those required to be retained pursuant to Rule .0108 of this Section;
- (6) supervise provisional brokers associated with or engaged on behalf of the firm at such office in accordance with the requirements of Rule .0506 of this Subchapter; and
- (7) supervise all brokers employed at the office with respect to adherence to agency agreement and disclosure requirements.

In plain English, the BIC is responsible for:

- (1) ensuring that affiliated brokers maintain **current, active licenses**;
- (2) notifying the Commission of **changes in firm or trade name**;
- (3) all **advertising** placed on behalf of the office;
- (4) the trust/escrow account;
- (5) record retention;
- (6) supervising provisional brokers; and
- (7) ensuring that affiliated brokers **disclose agency and execute agency agreements** properly.

BICs should consider carefully these responsibilities and how to address each of them. In addition, there are a variety of other operational issues, business practices, and office procedures for which rules and policies should be created.

The purpose of the *Broker-in-Charge Best Practices Guide* is to provide guidance for BICs as they are developing their operating procedures and establishing their expectations for affiliated brokers. The Guide provides the subject matter a BIC should consider when creating office policies.

Real estate offices differ in size and practice varying specializations of brokerage. So there is not a *one size fits all* office policy that would meet the needs of each real

estate office. The *Broker-in-Charge Best Practices Guide* is intended only as a starting point. BICs may want or need to create policies for many other topics or issues, depending upon the nature and complexity of their brokerage practice.

THE *BROKER-IN-CHARGE BEST PRACTICES GUIDE*

The *Broker-in-Charge Best Practices Guide* is available on the [Commission's website](#) under **Resources**. You may view and download it on that page.

It is reprinted here for your review.