



## GUIDE TO ONLINE FILING OF COMPLIANCE AUDIT FORMS

The Real Estate Council of Alberta (RECA) requires real estate and mortgage brokerages that have received or held trust funds to file a Brokerage's Representations to the Real Estate Council of Alberta (Form 2) and an Accountant's Report (Form 3) within three months of the brokerage's fiscal year end. The Accountant's Report must be completed by a Chartered Accountant, a Certified General Accountant or a Certified Management Accountant.

Effective immediately, brokerages with fiscal year ends of July 31, 2011 and later will be able to electronically file Form 2 using RECA Online. Accountants engaged by an Alberta brokerage will also be given access to RECA Online for the purpose of electronically filing Form 3 on behalf of an Alberta brokerage.

Electronic filing provides many advantages to brokers and their accountants. These include:

1. **Electronic filing is faster and easier to use.** All brokerage details including the trust account numbers on RECA Online will automatically be pre-populated in Form 2. This will reduce reporting time and prevent input errors.
2. **Forms that are electronically filed will be automatically reviewed to reduce input or process errors.** Input and other types of errors may result in incomplete reports or follow up correspondence to brokers and their accountants. The electronic filing system will automatically provide prompts when information appears to be incorrect or has not been entered.

Some examples of these have been:

- Where a Real Estate Form 3 has been completed and submitted instead of Mortgage Brokerage Form 3.
- Work has been completed by the accountant but a question has been incorrectly left blank.
- "Not applicable" entered when "None" was the correct response.

The system will still allow brokers and accountants to file the forms after there has been an error prompt; however, just having the error prompt can bring issues to their attention, which might need fixing prior to filing. The system does, however, provide sufficient flexibility for brokers and/or accountants to accurately describe a brokerage's accounting records.

3. **Electronic filing provides immediate notification of successful filing.** RECA's electronic filing system will email a broker when their Accountant's Report has been submitted and compliance audit filing is completed. Electronic filing means there is no

risk of the reports being faxed to the wrong number or mailed to the wrong address or for reports being lost in regular mail. RECA hopes this will reduce the number of \$1,500 Administrative Penalties issued annually for financial reporting that is not received within three months of the brokerage's fiscal year end.

4. **Electronic filing terminates brokerage reminders.** RECA provides accounting report reminders to brokerages on a periodic basis. Currently, if the reports have been completed but RECA has not yet received them and recorded them as submitted, reminders continue. As there can be considerable delay between when the reports are sent and when they are received, this sometimes creates anxiety for brokers and may result in unnecessary calls to accountants and/or RECA regarding the status of the reports.
5. **Electronic filing is beneficial for accountants.** Brokerage information is pre-populated. If there are exceptions, accountants can enter their finding in the field. This will include being able to copy data/information from another electronic document. At any stage during the process, a partially-completed form can be saved using the "save" button. Subsequently, the process can be restarted using the "modify" function.

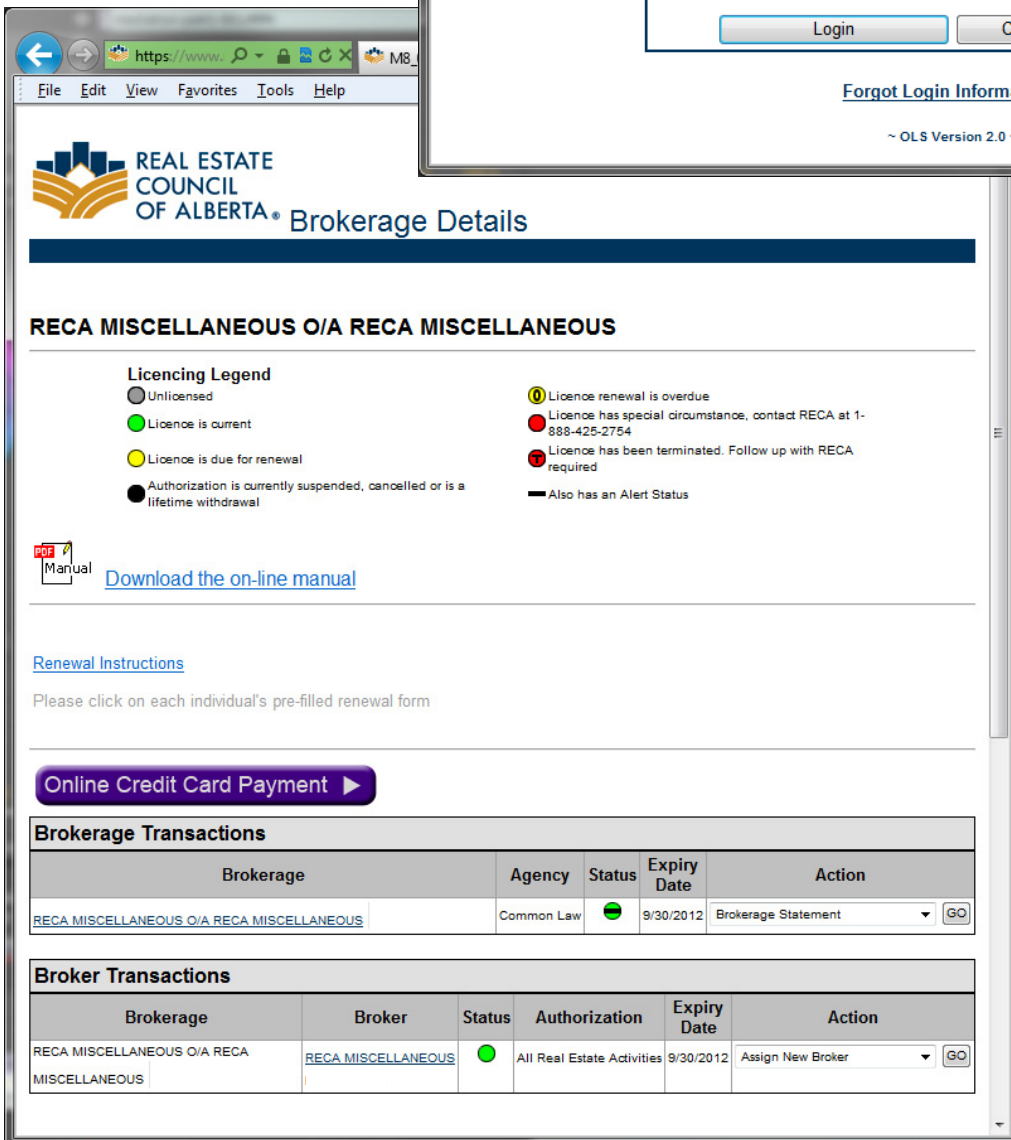
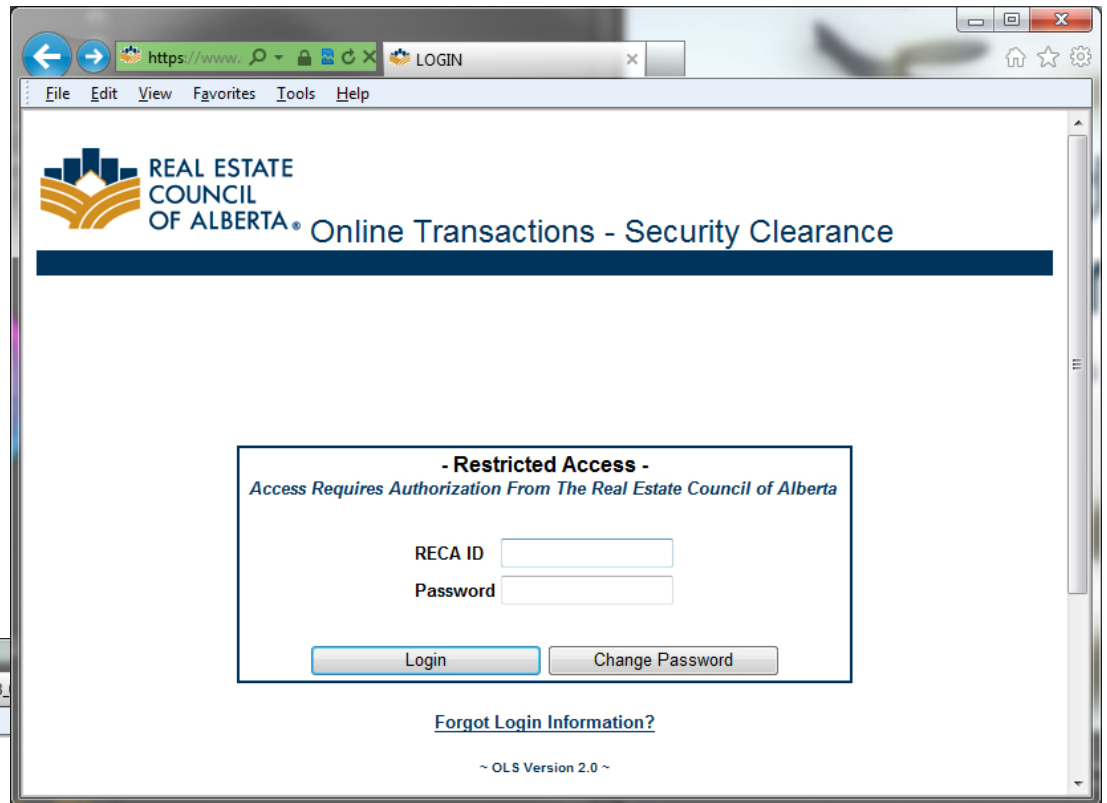
Electronic filing is optional. Brokers wishing to file accounting reports using the current process will still be able to file by sending their reporting to the RECA office in Calgary. Brokers who wish to file Form 2 electronically should confirm with their chosen accountant that he or she will file Form 3 using RECA Online. Also note that electronic filing is only available to brokers who continue to be the registered broker at the date of filing. Fiscal year reporting that is due after a brokerage has terminated its licence and closed still has to be sent to the RECA office. It cannot be electronically filed.

The process for electronically filing is very straight-forward. Brokers will submit their required document (Form 2) using the "File Accounting Report" section of RECA Online. Brokerages without trust funds have been using that function within RECA Online for the last two years.

Upon successful filing of Form 2, brokers will be provided with a link and an Accounting Ticket Number, which they will then give to their accountant so their accountant can file Form 3 using RECA Online. RECA expects brokers will complete an engagement letter with their chosen accountant and only then provide the accountant with the link, Accounting Ticket Number and a copy of the brokerage's completed Form 2. The engaged accountant will proceed with preparation of Form 3 as is done currently, but instead of sending it to RECA via regular mail or fax, the accountant will file it electronically. For accountants to be able to file Form 3 using RECA Online, they must first provide their information to RECA, after which an accountant will be provided with a user ID and password to access RECA Online.

## HOW TO FILE FORM 2 USING RECA ONLINE: BROKERS

Log onto RECA Online:



This will take you to the main brokerage screen.


Under “Action,” select “File Accounting Reports” and click on “Go”:

Online Credit Card Payment ▶

**Brokerage Transactions**

Brokerage	Agency	Status	Expiry Date	Action
RECA MISCELLANEOUS O/A RECA MISCELLANEOUS	Common Law		9/30/2012	File Accounting Reports <input type="button" value="GO"/>

On the next screen, click on “Start” under the “Action” column:



**REAL ESTATE COUNCIL OF ALBERTA®**

File Annual Financial Report

Real Estate

Action	Status	Period Starting	Period Ending	Due Date	Report Type	Additional
View	Completed	1/2/2008	1/1/2009	4/1/2009	Form 4	Completed on 1/5/2010.
View	Completed	8/1/2009	7/31/2010	10/31/2010	Form 2	Manually Filed on 1/1/2011.
Start	Required	8/1/2010	7/31/2011	10/31/2011		<a href="#">Grant an Extension</a> <a href="#">Manual File Form 2</a>
View	Required	8/1/2011	7/31/2012	10/31/2012		Unable to File Until 7/31/2012

Chronological order, oldest first.

On the next screen, click on the “Form 2” button and then proceed to answer all Form 2 questions.

Brokerage RECA NEW AGENCIES

Reporting Period 8/1/2010 to 7/31/2011

Previous Period Form Used Form 2

**Form 4**

- Form 4 is used if there were NO monies in trust during the reporting period.

**Form 2**

- Form 2 is used if there were monies in trust during the reporting period.

- Form 3 must be completed by an accountant AFTER Form 2 has been completed.

RE FORM 2  
REAL ESTATE BROKERAGE'S REPRESENTATIONS  
to the Real Estate Council of Alberta

IF YOU **HAVE** received money on the account of others during the reporting period, this completed form must be RECEIVED by the Real Estate Council of Alberta, with a completed **Accountant's Report**, WITHIN THREE MONTHS OF THE BROKERAGE'S FISCAL YEAR END.

**DO NOT LEAVE QUESTIONS UNANSWERED. IF FORMS ARE NOT COMPLETED IN FULL, APPLICABLE PAGES WILL BE RETURNED TO THE BROKERAGE.**

*Both reports shall cover the fiscal year end or, where the brokerage did not carry on business for the entire fiscal year, that part of the fiscal year for which the brokerage carried on business.*

I, RECA NEW XXX AGENCIES being the broker for the brokerage described below, hereby certify, to the best of my knowledge, information and belief, that:

**General Information**

- The name of the brokerage is:  
RECA NEW AGENCIES
- The full Alberta business address of the brokerage is:  
SUITE 350, 4954 RICHARD ROAD SW, Calgary, ALBERTA, T3E 6L1
- Are the financial books and records located at the brokerage address?  Y  N
- The following trust accounts, including term deposits, were maintained by me during the Required!  

Action	Institution #	Financial Institution	Transit #	Account Number	Type of Trust Funds Held	Date Opened	Date Closed	Interest Paid to AREF
<input type="checkbox"/>		Add NEW Trust Account						

**Accounting Information**

- My books of account properly reflect all the trust money transactions for clients up to the close of business at the fiscal year ending 7/31/2011
- The total of all trust liabilities to clients as at the fiscal year ending 7/31/2011, amounts to \$
- I have kept and maintained on a current basis trust records, recording separately for each transaction/property, the trust money held in connection with trades in real estate as defined in the Real Estate Act showing particulars of all receipts and disbursements of trust money in respect of each trade and indicating the source from which the money was received, the person(s) to whom it was disbursed and any unexpended balance.  Y  N
- I have received/held trust funds from real estate sales/leasing  Y  N
- I have received/held trust funds for the administration of property (condo fees)  Y  N
- I have received/held trust funds from property management transactions  Y  N
- I have received/held trust funds from guaranteed sales  Y  N
- All trust money received in relation to the Residential Tenancies Act or Condominium Property Act were deposited within two (2) banking days after the date of the receipt and all other trust funds were deposited within three (3) banking days after the date of receipt or acceptance of the offer to purchase or within any further period agreed to in writing by the parties to the trade.  Y  N
- I am a **signatory** on all trust accounts  Y  N
- The total of all balances of funds held in trust accounts as they appear in the books and records is supported by:
  - a detailed listing made monthly that shows the amount of trust money held for each transaction and that is reconciled to the trust records,  Y  N
  - a detailed reconciliation of the trust bank accounts, made monthly,  Y  N
  - a record of the reasons for any differences between the total balances in the trust records of the brokerage and the total of all balances of funds held in the trust accounts, and that those reconciliations and detailed listings are retained as records supporting the monthly trust comparisons.  Y  N
- Where there were trust shortages during the period  Y  N

I make this declaration conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

At the bottom of the Form 2 screen, you must check the box beside the declaration and then click "Save Application," which electronically files your completed form with RECA.

Once you have filed the form, you will receive an email that includes a PDF copy of the completed Form 2, an Accounting Ticket Number that your accountant will need to log in, as well as a link to the accountant's page within RECA Online.

## HOW TO FILE FORM 3 USING RECA ONLINE: ACCOUNTANTS

Click on the link provided to you by the broker by whom you have been engaged and complete the log-in information:

The screenshot shows a web browser window displaying the RECA Online Transactions - Security Clearance page. The browser's address bar shows a URL starting with 'https://www.'. The page features the RECA logo and the text 'REAL ESTATE COUNCIL OF ALBERTA' and 'Online Transactions - Security Clearance'. A central purple box contains the 'Accountant Login' form with the following fields: 'RECA ID' (with 'AC-' pre-filled), 'Accounting Ticket #', and 'Password'. A 'Login' button is positioned below the fields. At the bottom of the purple box, there are links for '- Change Password' and '- Forgot Password'. Below the purple box, the text '~ OLS Version 1.0 ~' is visible, followed by the Microsoft .NET logo and the text 'Powered By .net'.

Once logged in, you will be directed to “Form 3” (seen below):

Complete all questions on Form 3 and click “Save Application” at the bottom of the page. Once the Form has been saved and the system indicates there are no errors, the accountant can click on “Submit.”

## ACCOUNTANT REGISTRATION FOR ONLINE FILING

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In order for an accountant to obtain a user ID and password for RECA Online access for the purpose of filing an Accountant's Report (Form 3), he or she should apply in writing to the audit administrator by mail, fax or email at [audit@reca.ca](mailto:audit@reca.ca), and include the following information.

- Accounting firm and/or accountant's name;
- Address/phone/email/fax; and,
- Accounting designation.

If the above written request is not from an accounting firm, it must include confirmation that the accountant is registered under Part 3 of the *Regulated Accounting Profession Act* or the equivalent legislation in their jurisdiction.

Accounting firms may have more than one user ID and password. The user ID can be provided by mail, fax or email and the initial password will be provided separately to the person designated in the request. Accountants will be able to change their password once they have logged on to RECA Online for the first time.