



Broker-in-Charge Annual Compliance Checklist

A year-round checklist for South Carolina brokers-in-charge to stay organized and inspection-ready.

Brokerage

Broker-in-Charge

Year

The SC Real Estate Commission conducts periodic office inspections (SC Code §40-57-60(C)). Working through this list on a regular schedule keeps your office ready at any time. Pair it with the **SC REC Office Inspection Packet** and the **Office Inspections Prep video** on the IBC Resources page.

Every Month **TRUST ACCOUNT & FILES**

Trust / Escrow Account

- ☐ **Reconcile each trust account** and keep a written worksheet comparing the bank balance, journal balance, and ledger total §40-57-136(F)(2)(f)
- ☐ Confirm the **journal records every receipt and disbursement** in order: date, from whom, principal, property, deposit date, depository, payee, check numbers, and running balance §40-57-136(F)(2)(a)
- ☐ Spot-check that **cash and certified funds were deposited within 48 hours** (excluding weekends and bank holidays) §40-57-136
- ☐ No escrow account? Confirm an **attorney is holding earnest money** on every active contract

Transaction Files

- ☐ Review new **listing and buyer agency agreements**: agent duties, compensation and how it's earned, start and end dates, all signatures §40-57-135(I)(2)
- ☐ Confirm a signed **Disclosure of Brokerage Relationship** acknowledgment is in each file §40-57-370(B)
- ☐ Check that **offers and counteroffers** are written, dated, signed, and changes initialed; rejected offers without a counter have a rejection form §40-57-135(I)(4)–(5)
- ☐ Confirm a **Residential Property Disclosure Statement** was provided before contract (unless exempt) §27-50-40

Every Quarter **PEOPLE, POLICY & RECORDS**

- ☐ **Verify every agent's license is active** in the LLR license lookup §40-57-135(K)
- ☐ Confirm your **licensee roster with the Commission** matches who actually works for you §§40-57-330(B), 40-57-510(E)
- ☐ Confirm the **office name, phone, and physical address** on file with the Commission are correct (changes are due within 10 days) §40-57-135(A)(8)
- ☐ Pull **3 random files** (active and closed) and review them the way an inspector would, using Appendix A of the inspection packet
- ☐ Test your **record backups**: electronic records need a copy stored off-site or in the cloud §40-57-135(D)(2)
- ☐ Review a sample of **agent advertising and social media** for license-law and Fair Housing compliance
- ☐ Check **MLS, lockbox, and system access**: remove anyone who has left the brokerage
- ☐ Review **open compliance items** with agents: missing signatures, unsigned addenda, expired agreements

WHEN	TASK
January	☐ Send 1099-NEC forms to agents and file with the IRS by January 31 ; confirm a current W-9 is on file for every agent ☐ Renew city and county business licenses as required by your local jurisdictions
Early in the year	☐ Review and update your written office policy, then give every supervised licensee a copy (physical or digital) and keep their acknowledgment §40-57-135(A)(5) ☐ Review your independent contractor agreements and commission plans with each agent
Renewal years (April 1 – June 30)	☐ Renew your license by June 30 ; licenses lapse immediately with no grace period. Next deadline: June 30, 2028 ☐ Complete 10 hours of CE . BICs need the 4-hour BIC Duties & Responsibilities course, the 4-hour Core course, and 2 elective hours ☐ Remind every agent of the deadline and track who has renewed
July	☐ After the renewal deadline, confirm every agent renewed . An agent with a lapsed license cannot practice
Anytime each year	☐ Run a full mock inspection with the SC REC Inspection Packet (Report Form, Appendix A records, Appendix B trust account, Appendix C property management) ☐ Renew E&O and business insurance ; review coverage limits ☐ Renew MLS, association, and technology subscriptions; audit who has access ☐ Purge records only after the 5-year retention period has passed §§40-57-135(D)(1), 40-57-136(F)(1)

As Needed **WHEN THINGS CHANGE**

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| ☐ New agent joins: license transfer completed, office policy delivered, W-9 and IC agreement signed, MLS/lockbox/systems set up

☐ Agent leaves: license released, files returned and complete, MLS/lockbox/systems access removed, final commissions reconciled | ☐ Office changes (name, address, phone): notify the Commission within 10 days §40-57-135(A)(8)

☐ Inspection notice: complete pages 1–2 of the Inspection Report Form and email it to your inspector within 5 business days ; have files and your office policy ready |
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This checklist is a planning tool prepared by the Independent Brokerage Collective for its members. It is not legal advice and is not a complete statement of South Carolina license law. Requirements change. Confirm current rules, forms, and deadlines with the SC Real Estate Commission at llr.sc.gov/re, and consult your attorney or accountant about your brokerage's specific situation.