**Section 140.10 Office Records**

a) Required Files

1) Every licensee shall keep the following records or their equivalent in accord with generally accepted accounting principles as approved by the Department of Financial and Professional Regulation-Division of Financial Institutions (Division):

A) Client File

B) Client Activity Record

C) Payment Detail Report

D) Index System

2) If a computerized system is in use, licensee shall maintain a permanent file of back-up computer media for the end of each month.

3) All books and records shall be kept current and available for examination by the Division.

b) Client File

The client file shall contain the following: the original contract, a listing of total debtor income, a list of creditors including the balance owed to each and monthly payments due and a copy of the agreed-upon debt management plan.

c) Client Activity Record

The Client Activity Record shall contain the original entry and be a permanent record, and shall show the debtor's account number, name, address, date of contract, total indebtedness, monthly receipts, any fees charged, amounts disbursed to creditors and the estimated term of the contract to satisfy the amount owed.

1) If a contract is cancelled by a licensee or debtor and a fee is claimed but not paid, the debtor activity record shall show the reason for cancellation and the amount of any fee claimed to be owed.

2) If legal action is taken to collect an unpaid fee, the client activity record shall include a copy of the judgment or action taken.

3) A separate file of all litigation accounts shall be maintained in the office of the licensee.

d) Payment Detail Report

An individual Payment Detail Report shall be maintained for each debtor, including the account number, name and address, date of contract, total indebtedness, terms of payment and any fees charged. The report shall also show the monthly total of all receipts, disbursements, undisbursed or reserve funds and the distribution of any prorated fee.

1) A file shall be kept containing the paid or canceled Payment Detail Reports for a period of 5 years, showing the receipts and disbursement in full and the total amount of fees collected. In a non-computerized system, adding machine tapes verifying the receipts against all disbursements, including total fees, shall be attached to each client file.

2) The entries on the Payment Detail Report shall correspond with the receipt of periodic statements given to the debtor and shall reflect the disbursement made to creditors showing the net and gross amount.

3) In a non-computerized system, all entries shall be made in ink and no erasures whatsoever may made on the report. In case of error, a line should be drawn in ink through the improper entry and the correct entry made on the following line. No entries shall be masked, covered or rendered illegible.

e) Index System

An alphabetical index system shall be kept indicating name and address of clients, account number, date of contract and total indebtedness.

(Source: Amended at 35 Ill. Reg. 6350, effective March 29, 2011)