**Section 145.10 Office Records**

a) Required Files

1) Every debt settlement provider shall keep the following records, if applicable, or their equivalent in accord with generally accepted accounting principles as approved by the Department of Financial and Professional Regulation-Division of Financial Institutions:

A) Client File

B) Client Activity Record

C) Payment Detail Report

D) Index System

2) If a computerized system is in use, debt settlement provider 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 list of creditors, including the balance owed to each and any payments due; the total amount of any fees paid by the debtor; the amount held in trust (if applicable); any settlement offers made and received on each of the debtor's accounts; all evidence of any legally enforceable settlements with the debtor's creditors; a written analysis of the debtor's income and expenses to substantiate that the plan of payment is feasible and practical; and copies of all receipts issued for each payment made by the debtor.

c) Client Activity Record

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

1) If a contract is cancelled by a debt settlement provider 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 debt settlement provider.

d) Payment Detail Report

An individual Payment Detail Report shall be maintained for each debtor, corresponding to the monthly accounting provided to the debtor pursuant to Section 65(c) of the Act.

1) A file shall be kept containing the paid or canceled Payment Detail Reports for a period of 5 years, showing the receipts and disbursements, if applicable, 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 monthly accounting given to the debtor and shall reflect all funds submitted by the debtor during the month and all disbursements from those funds, showing all amounts retained by the licensee as provider fees and all amounts paid to creditors.

3) In a non-computerized system, all entries shall be made in ink and no erasures whatsoever may be 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.