

TITLE 68: PROFESSIONS AND OCCUPATIONS
CHAPTER VIII: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
SUBCHAPTER b: PROFESSIONS AND OCCUPATIONS

PART 1445

COMMUNITY ASSOCIATION MANAGER LICENSING AND DISCIPLINARY ACT

Section

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AUTHORITY: Implementing and authorized by the Community Association Manager Licensing and Disciplinary Act [225 ILCS 427].

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Section 1445.10 Definitions

"Act" means the Community Association Manager Licensing and Disciplinary Act [225 ILCS 427].

"Address of record" means the designated street address, which may not be a post office box, recorded by the Department in the applicant's or licensee's application file or license file maintained by the Department. [225 ILCS 427/10]

"Affiliation agreement" is any binding agreement between a community association management firm or an unaffiliated community association manager and an entity under common ownership pursuant to which the firm or unaffiliated community association manager receives some form of compensation or benefit in exchange for the affiliate offering or providing goods or services to a community association managed by the community association management firm or an unaffiliated community association manager.

"Board" means the Community Association Manager Licensing and Disciplinary Board. [225 ILCS 427/10]

"CE" is an abbreviation for continuing education.

"Community association management firm" means a company, corporation, limited liability company, partnership or other entity that engages in community association management. [225 ILCS 427/10]

"Community association manager" means an individual who:

has an ownership interest in or is employed by a community association management firm, or is directly employed by or provides services as an independent contractor to a community association; and

administers for remuneration the financial, administrative, maintenance, or other duties for the community association, including the following services:

collecting, controlling or disbursing funds of the community association or having the authority to do so;

preparing budgets or other financial documents for the community association;

assisting in the conduct of community association meetings;

maintaining association records;

administering association contracts or procuring goods and services in accordance with the declaration, bylaws, proprietary lease, declaration of covenants, or other governing document of the community association or at the direction of the board of managers; and

coordinating financial, administrative, maintenance, or other duties called for in the management contract, including individuals who are direct employees of the community association. [225 ILCS 427/10]

"Credit Hour" means a minimum of 50 minutes of instruction through a course approved by the Division in a classroom, by interactive webinar, online distance education, correspondence, or a home study course.

"Department" means the Department of Financial and Professional Regulation.

"Designated community association manager" means a licensed community association manager who:

has an ownership interest in or is employed by a community association management firm to act as a controlling person;

is the authorized signatory or has delegated signing authority for the firm on community association accounts; and

supervises, manages, and is responsible for the firm's community association manager activities. [225 ILCS 427/10]

"Director" means the Director of the Department of Financial and Professional Regulation-Division of Real Estate.

"Division" means the Department of Financial and Professional Regulation-Division of Real Estate with the authority delegated by the Secretary.

"Education Sponsor" means an entity approved by the Department offering courses in pre-license or continuing education.

"Email address of record" means the designated email address recorded by the Department in the applicant's application file or the licensee's license file, as maintained by the Department. [225 ILCS 427/10]

"Interactive Delivery Method" means delivery of a course approved by the Department through a medium allowing for interaction with the student.

"Interactive Webinar" means delivery of a course by a licensed instructor through a medium allowing for live 2-way communication between the licensed instructor and student in which either can initiate or respond to questions, including live instruction and real-time discussion via satellite, video or webcam that allows for student participation and comprehension.

"Learning Management System" means a software application used for the administration, documentation, tracking, reporting, and delivery of educational courses or training programs.

"Licensee" means a person who holds a license to act as a community association manager under the Act or other authority to practice issued under the Act.

"Online Distance Education" means education courses that are interactive, but not in real time, in which students independently learn and review material online, and, for verification of the student's participation and comprehension, interact with an Illinois licensed instructor or Learning Management System.

"Person" means and includes individuals, entities, corporations, limited liability companies, registered limited liability partnerships, foreign and domestic partnerships, and other business entities, except that when the context otherwise requires, the term may refer to a single individual or other describe entity.

"Pre-licensing Hours" means participation in an actual classroom setting, or its equivalent, or via an interactive delivery method or an interactive webinar.

"Secretary" means the Secretary of the Department of Financial and Professional Regulation or the Secretary's designee.

"Unaffiliated Community Association Manager" means a community association manager who is not associated with a community association management firm by virtue of direct employment, an independent contractor agreement, or otherwise.

(Source: Amended at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.15 Information Required From Licensee or Applicant

- a) Address of Record and Email Address of Record

- 1) Pursuant to Section 2105-7 of the Civil Administrative Code of Illinois [20 ILCS 2105], all applicants and licensees shall:
 - A) Provide to the Division a valid address, which shall not be a post office box, and a valid email address, which shall serve as the address of record and email address of record, respectively, at the time of application for licensure or renewal of a license; and
 - B) Inform the Division, in a format and manner prescribed by the Division, within 14 days after any change, in the address of record or email address of record.
 - 2) The use by the Division of the email address provided by the applicant or licensee shall be considered a valid service or notice to the applicant or licensee regardless of whether the service or notice goes to the applicant's or licensee's "spam" or "junk" email folder.
- b) Aliases, Diminutives and Nicknames
Within 14 days after the change, each licensee shall notify the Division, in a format and manner prescribed by the Division, of any name change.
- 1) The licensee shall notify the Division if the licensee regularly practices under an alias, diminutive, or nickname of the licensee's name.
 - 2) If an individual licensee's name is changes as a result of a court order or marital status, the licensee shall:
 - A) Notify the Division of the name change;
 - B) Provide the Division with a copy of the marriage certificate or portion of the court order relating to the name change; and
 - C) Indicate the name to be used for licensure.
 - 3) The licensee shall ensure that all CE certificates are issued under the name used for licensure.
- c) Designation
No licensed Community Association Manager shall use the title "property manager" in connection with the performance of their duties as a Community Association Manager.

(Source: Added at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.20 Requirements for Licensure Under Section 40(c) of the Act (Grandfather) (Repealed)

(Source: Repealed at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.30 Application for Licensure as a Community Association Manager

- a) An applicant for a license as a Community Association Manager shall file an application, on forms supplied by the Division, that includes the following:
 - 1) verification that the applicant is at least 18 years of age;
 - 2) successful completion of a 4-year course of study in a high school, secondary school, or an equivalent course of study approved by the state in which the school is located, or possession of a high school equivalency certificate, which shall be verified under oath by the applicant.
 - 3) satisfactory evidence of having completed at least 20 hours in community association management courses as set forth in Section 1445.40;
 - 4) successful completion of the examination in Section 1445.50; and
 - 5) the fee required by Section 1445.100;
- b) When the accuracy of any submitted documentation or the relevance or sufficiency of the course work or experience is questioned by the Division or the Board because of lack of information, discrepancies or conflicts in information given, or need for clarification, the applicant seeking licensure shall provide information as the Division, in its discretion, may find necessary.
- c) Applicants have 3 years from the date of application to complete the application process. If the process has not been completed within 3 years, the application shall be denied and the fee forfeited, and the applicant must reapply and meet the requirements in effect at the time of reapplication.

(Source: Amended at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.35 Community Association Management Firms

- a) It shall be unlawful for persons to render community association management services in this State in the form of a corporation, limited liability company, partnership, limited partnership or limited liability partnership in accordance with

Section 50 of the Act unless the person holds a community association management firm license. A Community Association Management Firm seeking a license shall file an application with the Department, on forms provided by the Department, together with the following:

- 1) If an assumed name is to be used, a certified copy of the assumed name certificate, pursuant to the Assumed Business Name Act [805 ILCS 405];
 - 2) A Federal Employer Identification Number (FEIN);
 - 3) A properly completed Community Association Management Firm information form;
 - 4) The fee required by Section 1445.100(a)(3); and
 - 5) Evidence that the Community Association Management Firm has a licensed and designated Community Association Manager.
 - 6) The application form prescribed by the Department for initial licensure and renewal of licensure will require all applicants to provide the following information:
 - A) whether the applicant is custodian of Association Accounts;
 - B) the average number of Association Accounts the applicant handles as a custodian during the most recent calendar year; and
 - C) whether the applicant maintains crime/fidelity insurance for such Association Accounts the applicant handles as custodian.
 - 7) If a Community Association Management Firm maintains multiple offices under a single Community Association Management Firm license, the address of record and email address of record for all offices so maintained and a certification that the Community Association Management Firm's designated Community Association Manager shall assume all responsibilities and perform all duties required of a designated Community Association Manager for all offices maintained by the Community Association Management Firm.
- b) All requirements for a licensee to practice as a Community Association Management Firm shall be met within one year after the date of original application or the application shall be denied, and the fee forfeited. Thereafter, to

be considered for licensure, the applicant shall file a new application with the required fee.

- c) Corporations, in addition to the items listed in subsection (a), shall submit the following:
 - 1) The name of the corporation, its registered address, a list of all officers and the license number for each officer who is licensed as a Community Association Manager; and
 - 2) A copy of the Articles of Incorporation bearing the seal of the office, in the jurisdiction in which the corporation is organized, whose duty it is to register corporations under the laws of that jurisdiction. If it is a foreign corporation, a copy of the certificate of authority to transact business in this State is also required.
- d) Limited liability companies, in addition to the items listed in subsection (a), shall submit the following:
 - 1) The name of the limited liability company, its registered address, if member-managed, a list of all members and the license number for each member who is licensed as a Community Association Manager, or if manager-managed, a list of all managers and the license number for each manager who is licensed as a Community Association Manager. If a member or manager of the limited liability company is an entity, the applicant shall provide the name and license number for any Community Association Managers who are owners, officers, managers, members, or partners of the entity; and
 - 2) A copy of the Articles of Organization filed with the Illinois Secretary of State or, if it is a foreign limited liability company, a copy of the application for admission endorsed by the Illinois Secretary of State.
- e) Partnerships, in addition to the items listed in subsection (a), shall submit the following:
 - 1) The name of the partnership, its business address, the names of all general partners and the license number for each general partner who is licensed as a Community Association Manager; and
 - 2) An affidavit stating that the partnership has been legally formed.

- f) Limited partnerships or limited liability partnerships, in addition to the items listed in subsection (a), shall submit the following:
- 1) The name of the limited partnership or limited liability partnership, its business address, the names of all limited partners or limited liability partners and the license number for each limited partner or limited liability partner who is licensed as a Community Association Manager. If a limited partner or limited liability partner is an entity, the applicant shall provide the name and license number for any Community Association Managers who are owners, officers, managers, members, or partners of the entity; and
 - 2) A letter of authority from the Illinois Secretary of State's Limited Liability Division or, if it is a foreign limited partnership or limited liability partnership, a copy of the application for admission endorsed by the Illinois Secretary of State.
- g) Upon receipt of the required documents and review of the application, the Department shall issue a license authorizing the corporation, limited liability company, partnership, limited partnership, or limited liability partnership to practice as a Community Association Management Firm or shall notify the applicant for the reason for the denial of the license.
- h) Licensees engaging in licensed activities in the form of a corporation, limited liability company, partnership, limited partnership, or limited liability partnership must:
- 1) Remain in active status and in good standing in accordance with the requirements of the jurisdiction where it is registered and must be authorized to conduct or transact business; and
 - 2) Notify the Division, in a format provided by the Division, within 48 hours of any change to its status/registration resulting in the inability to conduct or transact business in the jurisdiction in which it is registered/was authorized to conduct or transact business; and
 - 3) Be authorized to conduct or transact business in Illinois. The license of any business entity that is not in good standing with the Illinois Secretary of State, or is not authorized to conduct business in Illinois, shall immediately become inactive and that entity shall be prohibited from engaging in any licensed activities.

(Source: Added at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.40 Pre-license Education

An applicant for a license as a Community Association Manager shall provide evidence of successful completion of a minimum of 20 credit hours in community association management coursework as follows:

- a) All community association manager applicants must satisfactorily complete a minimum of 20 pre-licensing credit hours of instruction approved by the Division during the 24 months immediately preceding the date the licensure examination is taken and passed. No applicant shall be allowed to take the licensure examination unless the applicant provides satisfactory evidence of completion of the requisite education. Each hour shall consist of at least 50 minutes of instruction.
- b) The 20 credit hours of education shall be comprised of courses in the following areas:
 - 1) State and federal laws relating to the operation of all types of community associations, governing documents, and State laws relating to for-profit corporations and to nonprofit corporations;
 - 2) Preparation of community association budgets and community association finances;
 - 3) Management, personnel matters, customer service and ethics;
 - 4) Maintenance operations;
 - 5) Insurance matters relating to community associations;
 - 6) Procedures for noticing and conducting community association meetings; and
 - 7) Project management.
- c) The Community Association Institute's M-100 course, "Essentials of Community Association Management", Illinois-specific edition and/or the Institute of Real Estate Management's COM-201 course may be credited toward the 20 hours of pre-license education without further approval from the Department.

(Source: Amended at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.50 Licensure Examinations

Pursuant to Section 1445.30(a)(4), a community association manager applicant shall successfully complete and pass at least one of the following examinations:

- a) Community Association Managers International Certification Board (CAMICB) examination;
- b) Institute of Real Estate Management (IREM) Community Association Management Exam (COMEXM); or
- c) An examination approved by the Department.

(Source: Amended at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.60 Endorsement

- a) An applicant who is licensed/registered under the laws of another state or territory of the United States and who wishes to be licensed in Illinois as a Community Association Manager shall submit to the Division in a manner prescribed by the Division:
 - 1) An application, on forms prescribed by the Division and signed by the applicant, on which all questions have been truthfully answered; and
 - 2) Certification from the state or territory of the United States or the foreign country in which the applicant was originally licensed/registered and is currently licensed/registered, stating:
 - A) The time during which the applicant was licensed/registered;
 - B) Whether the file of the applicant contains any record of disciplinary actions; and
 - C) Examinations taken and passed;
 - D) Any pre-license education requirements.
 - 3) The required fee set forth in Section 1445.100(a)(2).
- b) The Division shall examine each endorsement application to determine whether the requirements and examination in the jurisdiction at the date of licensing were substantially equivalent to the requirements and examination of this Part or the

applicant possesses individual qualifications at the time of application that were substantially equivalent to the requirements then in force in this State.

- c) Applicants have 3 years from the date of application to complete the application process. If the process has not been completed within 3 years, the application shall be denied, the fee forfeited, and the applicant must reapply and meet the requirements in effect at the time of reapplication.

(Source: Amended at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.70 Renewal

- a) Every Community Association Manager license issued under the Act shall expire August 31 of odd-numbered years. The holder of a license may renew that license during the 90 days preceding the expiration date by completing the renewal form, paying the required fee, completing all required continuing education, and meeting any other requirements established for renewal.
- b) Every Community Association Management firm license issued under the Act shall expire August 31 of odd-numbered years. Licenses first issued in 2023 shall expire August 31, 2025. The holder of a license may renew that license during the 90 days preceding the expiration date by completing the renewal form, paying the required fee, and meeting any other requirements established for renewal.
- c) It is the responsibility of each licensee to notify the Division of any change of address of record within 14 days after such change through the Department's website or in a manner prescribed by the Department. Failure to receive a renewal form from the Division shall not constitute an excuse for failure to pay the renewal fee or to renew the license. Practice on a non-renewed license shall be considered unlicensed practice and shall be subject to the disciplinary provisions of the Act.

(Source: Amended at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.80 Inactive Status

- a) Licensed Community Association Managers or licensed Community Association Management Firms who notify the Division, in a manner prescribed by the Division, may place their licenses on inactive status for a period not to exceed 2 years and shall be excused from paying renewal fees until they notify the Division in writing of the intention to resume active practice.

- b) Any licensed Community Association Manager or licensed Community Association Management Firm seeking restoration from inactive status shall do so in accordance with Section 1445.90.
- c) Any Community Association Manager whose license is in non-renewed or inactive status shall not use the title "licensed Community Association Manager" in the State of Illinois. Any Community Association Management Firm whose license is in non-renewed or inactive status shall not use the title "licensed Community Association Management Firm" in the State of Illinois. Any person violating this subsection shall be considered to be practicing without a license and shall be subject to the disciplinary provisions of the Act.

(Source: Amended at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.90 Restoration

- a) Any Community Association Manager whose license has been in non-renewed status or expired for 5 years or less may have the license restored upon payment of the restoration fee plus all lapsed renewal fees as set forth in Section 1445.100, and completion of all required continuing education.
- b) Any person seeking restoration of a license that has been placed on inactive status for 2 years or less shall file an application, on forms prescribed by the Division, together with the fee required by Section 1445.100 and, if applicable, the current renewal fee required by Section 1445.100 and, if a Community Association Manager, proof of compliance with the continuing education requirements.
- c) When the accuracy of any submitted documentation or the relevance or sufficiency of the course work or experience is questioned by the Division because of a lack of information, discrepancies or conflicts in information given, or a need for clarification, the licensee seeking restoration shall provide information as the Division, in its discretion, may find necessary.
- d) Military Renewal or Restoration. A person is eligible for the restoration or renewal without paying any lapsed renewal fees of an expired license if:
 - 1) that person's license *expired while*:
 - A) *in federal service on active duty with the Armed Forces of the United States or called into service or training with the State Militia; or*

- B) *in training or education under the supervision of the United States preliminary to induction into the military service; and*
- 2) *within 2 years after honorable termination of the service, training or education, except under condition other than honorable, the licensee furnishes the Department with satisfactory evidence of engagement and that the service, training, or education has been so honorably terminated.*
[227 ILCS 427/60]
- e) Any person whose license has been expired or inactive for a period of more than 5 years is ineligible to have that license restored and must re-apply for licensure pursuant to the provisions of the Act and of Section 1445.30 of this Part.

(Source: Amended at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.100 Fees

The following fees shall be paid to the Department and are not refundable:

- a) Application Fees
 - 1) The application fee for a license as a Community Association Manager is \$300. In addition, applicants for an examination shall be required to pay, either to the Department or to the designated testing service, a fee covering the cost of determining an applicant's eligibility and providing the examination. Failure to appear for the examination on the scheduled date, at the time and place specified, after the application for examination has been received and acknowledged by the Division or the designated testing service, shall result in the forfeiture of the examination fee.
 - 2) The application fee for a license as a Community Association Manager certified or licensed under the laws of another jurisdiction is \$300.
 - 3) The application fee for a license as a Community Association Management Firm is \$650.
 - 4) The application fee for approval as a CE sponsor is \$100.
 - 5) The application fee for approval a pre-license or CE course is \$50 per credit hour.
- b) Renewal and Restoration Fees

- 1) The renewal fees for a Community Association Manager license are \$300 for a two-year license.
 - 2) The renewal fee for a Community Association Management Firm license is \$650 for a two-year license.
 - 3) The restoration fee for a Community Association Manager license other than from inactive status that has been in non-renewed status or expired for 5 years or less is \$50 plus payment of all lapsed renewal fees.
 - 4) The restoration fee for a Community Association Management Firm license that has been in non-renewed status or expired for 5 years or less is \$200 plus payment of all lapsed renewal fees.
 - 5) The fee for requesting that a license be changed from inactive to active status is \$50.
- c) General Fees
- 1) The fee for processing a change in the identity of a Community Association Management Firm's designated community association manager is \$25.
 - 2) The fee for a certification of a licensee's record for any purpose is \$20.
 - 3) The fee for a copy of the proceedings under Section 115 of the Act is the cost of a copy of the transcript. A copy of the balance of the record will be provided at the Department's cost of producing the record.
 - 4) The fee for certifying the record referred to in Section 150 of the Act is \$1 per page.
 - 5) The Division may charge an administrative fee, not to exceed \$500, as a part of a compliance agreement issued with an administrative warning letter pursuant to Section 85 of the Act.
- d) All fees paid pursuant to the Act and this Section shall be made payable to the Department of Financial and Professional Regulation and are nonrefundable.

(Source: Amended at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.105 Fidelity Insurance

- a) No designated Community Association Manager or the Community Association Management Firm that employs the designated Community Association Manager may have access to or disburse community association funds unless there is fidelity insurance in place to insure against loss or theft of community association funds.
- b) The fidelity insurance must at all times be in the maximum amount of coverage available to protect funds in the custody or control of the designated Community Association Manager or the Community Association Management Firm providing services to the association and shall cover the:
 - 1) designated Community Association Manager;
 - 2) the Community Association Management Firm;
 - 3) all community association managers;
 - 4) all partners, officers, and employees of the Community Association Management Firm; and
 - 5) the community association's officers, directors and employees.
- c) *Unless an agreement between the community association and the designated community association manager or the community association management firm provides to the contrary, a community association may secure and pay for the fidelity insurance required by this Section. The designated community association manager, all other licensees, and the community association management firm must be named as additional insured parties on the community association policy. [225 ILCS 427/55(a)(5)]*
- d) If the fidelity insurance is not secured and paid for by the association, the Community Association Manager or the Community Association Management Firm that secures and pays for the insurance shall provide a current certificate of fidelity insurance to the community association for which it provides community association management services with 10 days of a request for such certificate by the community association for its records.
- e) The designated Community Association Manager or their Community Association Management Firm shall obtain general liability and errors and omissions insurance to cover any losses or claims against a Community Association Manager, the designated Community Association Manager, or the Community Association Management Firm.

- f) The Community Association Manager or the Community Association Management Firm shall provide a current certificate of general liability and errors and omissions insurance to the community association for which it provides community association management services within 10 days of a request for such certificate by the community association for its records.

(Source: Added at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.110 Supervision and Management

- a) A licensee with an ownership interest in or directly employed by a Community Association Management Firm may perform activities at multiple offices or client locations as a licensee only for their Community Association Management Firm. *No community association manager may be the designated community association manager for more than one firm, corporation, limited liability company, partnership or other legal entity.* [225 ILCS 427/50(c)]
- b) *The designated community association manager shall supervise and manage all licensed and unlicensed employees acting on behalf of the community association management firm. The designated community association manager shall supervise and manage all independent contractors providing community association management services on behalf of the community association management firm.* [225 ILCS 427/50(c)] This supervision of activities includes, but is not limited to:
- 1) Implementation of and communication of office policies and procedures established by the community association management firm;
 - 2) Training of licensees and unlicensed employees;
 - 3) Supervising those Association Accounts over which the Community Association Management Firm has delegated responsibility to the designated Community Association Manager in order to ensure compliance with the Association Accounts provisions of the Act, Section 1445.120, and this Part;
 - 4) Supervising all advertising, in any media, of any community association management service for which a license is required;
 - 5) Training licensees on the requirements of federal and State laws and local ordinances relating to the practice of community association management; and

- 6) Overseeing compliance with this Section by licensees and offices under their supervision.
- c) The Community Association Management Firm shall establish a written firm policy and remain ultimately responsible for compliance with the Act and this Section. Pursuant to Section 50(a) of the Act, the Community Association Management Firm shall provide evidence to the Department that the firm has designated a licensed Community Association Manager to supervise and manage the firm. *Having a designated community association manager shall be a continuing requirement of firm licensure.* [225 ILCS 427/50(a)]
- d) Any violation of the provisions of the Act on the part of any licensees with an ownership interest in or employed by a Community Association management Firm, or associated by written agreement with the Community Association Management Firm, or an unlicensed employee of a Community Association Management Firm, shall not be cause for suspension or revocation of the license of the Community Association Management Firm or a designated Community Association Manager of the Community Association Management Firm, unless the Community Association Management Firm or designated Community Association Manager had knowledge of the violation of the Act. However, and in accordance with Section 50(c) of the Act, failure of a Community Association Management Firm to provide an appropriate written office policy shall be cause for discipline, including suspension or revocation of the license of the Community Association Management Firm or designated Community Association Manager. *The community association management firm and the designated community association manager shall be responsible for all actions of which they had knowledge taken on behalf of the community association management firm.* [225 ILCS 427/50(c)]
- e) Each designated Community Association Manager shall, within 14 days of a Community Association Manager becoming employed by or associated with the Community Association Management Firm, inform the Department in the manner prescribed by the Department of the name and license number of that newly employed or associated Community Association Manager. Each designated Community Association Manager shall, within 14 days, notify the Department in the manner prescribed by the Department of any termination of employment or association with their Community Association Management Firm of a Community Association Manager and provide that licensee's name and license number.
- f) A Community Association Management Firm shall report to the Department, in a manner prescribed by the Department, within 14 days, any changes to that Community Association Management Firm's designated Community Association Manager.

- g) A designated Community Association Manager shall notify the Department in the manner prescribed by the Department of any change of business address within 14 days after any change.

(Source: Amended at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.125 Audits

- a) **General Rule**

The Department may cause an audit of the accounts, including, but not limited to, all related electronic records, of a Community Association Management Firm or an unaffiliated Community Association Manager by its own employees or by a licensed certified public accountant as provided for in this Section. The audit may be conducted for the purpose determining, pursuant to Section 55 of the Act and Section 1445.120 of this Part, whether the Community Association Management Firm or unaffiliated Community Association Manager maintains separate, segregated accounts for each managed community association and/or whether it has commingled the funds of any of the community associations which it manages.
- b) The Department shall notify in writing the Community Association Management Firm, and/or unaffiliated Community Association Manager that an auditor has been retained to audit their accounts, the identity of the auditor or auditing firm and the requirement that the Community Association Management Firm, and/or unaffiliated Community Association Manager shall submit all pertinent records for audit within 30 days after receipt of the written notice.
- c) **Procedures for Audit**

The auditor or the Department shall contact the Community Association Management Firm, and/or unaffiliated Community Association Manager responsible for their accounts for the purpose of scheduling the audit of the accounts. The Community Association Management Firm and/or unaffiliated Community Association Manager shall provide the records requested at the scheduled time and location or as otherwise agreed by the Community Association Management Firm and/or unaffiliated Community Association Manager and the auditor or the Department.
- d) **Written Report**

Any licensed certified public accountant performing an audit for the Department under the provisions of this Section and the Act shall provide a written report to the Department, with a copy to the Community Association Management Firm and/or unaffiliated Community Association Manager detailing the findings of the

auditor with specific reference to compliance with the requirements of this Section and the Act.

- e) **Noncompliance and Cost of Audit**
The Community Association Management Firm and/or unaffiliated Community Association Manager shall be liable for the cost of the audit if an order is issued by the Director finding that it or its employees, independent contractors, agents or designees, misappropriated funds held on behalf of a Community Association or if the Community Association Management Firm, and/or unaffiliated Community Association Manager or their employees, independent contractors, agents, or designees did not comply with the requirements of the Act or this Part.
- f) Pursuant to Section 105 of the Act, the Department shall have the power to subpoena documents, books, records, or other materials and to bring before it any person and to take testimony either orally, by written interrogatory or any combination thereof, in order to enforce this Section.

(Source: Added at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.130 Association Accounts

- a) **Association Accounts**
 - 1) “Association Accounts” means all accounts under the care and control of the Community Association Management Firm or an unaffiliated Community Association Manager, and with respect to which a Community Association Management Firm or unaffiliated Community Association Manager has signatory authority, that are deposited with or maintained by the Community Association Management Firm or the unaffiliated Community Association Manager for the benefit of the community associations represented. *The maintenance of such accounts shall be custodial, and such accounts shall be in the name of the respective community association.* [225 ILCS 427/55(b)]
 - 2) Community Association Management Firms or unaffiliated Community Association Managers who accept moneys shall maintain and deposit in an Association Account, separate and apart from personal or other business accounts, all community association moneys entrusted to them while acting as the Community Association Management Firm or as the unaffiliated Community Association Manager.
 - 3) A Community Association Management Firm or unaffiliated Community Association Manager shall maintain a separate segregated Association

Account for each association for which they provide community association management services.

- 4) Every Association Account shall be maintained at a federally insured depository unless otherwise directed in writing by the community association.
 - 5) **Commingling Prohibited**
Each Community Association Management Firm or unaffiliated Community Association Manager shall deposit only Association Account funds received in connection with a community association in an Association Account. The funds shall not be commingled with the Community Association Management Firm's funds, the unaffiliated Community Association Manager's funds or the funds of any other community association.
 - 6) The Community Association Management Firm or the unaffiliated Community Association Manager shall provide a receipt to the payor of any cash constituting Association Account funds and shall retain a copy of the receipt.
- b) **Association Account Records**
Each Community Association Management Firm or unaffiliated Community Association Manager that accepts community association funds shall maintain in their office or place of business a bookkeeping system in accordance with sound accounting principles. Without limiting the foregoing, the system shall consist of at least the following Association Account Records:
- 1) **Ledger**
A ledger shall be maintained for each Association Account. The ledger shall show the chronological sequence in which funds are received and disbursed by the Community Association Manager.
 - A) For funds received, the ledger shall include the date the funds were received, the name of the person or entity on whose behalf the funds were delivered or means by which they were collected, the check or transaction number and the amount delivered.
 - B) For funds disbursed, the ledger shall include the date the funds were disbursed, the payee, the check or transaction number and the amount disbursed.

- C) A running balance shall be shown after each entry (receipt or disbursement).
- 2) **Monthly Reconciliation Statement**
Each Community Association Management Firm or unaffiliated Community Association Manager shall reconcile, within 30 days after receipt of the monthly bank statement, or within such other time as established in a management agreement between a Community Association Management Firm or an unaffiliated Community Association Manager and a community association, but in no event no less than quarterly, each Association Account except when there has been no transactional activity during the previous month. Reconciliation shall include a written or electronic work sheet comparing the balances as shown on the depository statement and the ledger, respectively, to ensure agreement between the Association Account and the ledger entries with respect to the Association Account. Each reconciliation shall be kept for a t least 5 years from the last day of the month covered by the reconciliation.
- 3) **Master Association Account Log**
Each Community Association Management Firm or unaffiliated Community Association Manager shall maintain a Master Association Account Log identifying all Association Accounts, the account type, and the name and address of the depository where the Association Accounts are located. The Master Association Account Log must specifically include all bank accounts opened for a community association even if the account falls under another umbrella account.
- 4) A Community Association Management Firm, an unaffiliated Community Association Manager or a third-part vendor may employ a more sophisticated bookkeeping system based on sound accounting principles, including a system of electronic data processing equipment. However, any such system must contain or produce printed records containing the information required by this Section, although it need not be in the same format as provided for in this Section. Compliance with the bookkeeping duties remains the responsibility of the Community Association Management Firm or the unaffiliated Community Association Manager. The Community Association Management Firm or the unaffiliated Community Association Manager is ultimately responsible for the proper administration of the Association Accounts pursuant to this Section regardless of whether a designated Community Association Manager has been delegated by a Community Association Management Firm signatory or signing authority on Association Accounts.

- 5) If association funds are transferred from an Association Account to another account for disbursement, the Community Association Management Firm or unaffiliated Community Association Manager must maintain a copy of all records reflecting a disbursement from the other accounts.
- 6) Pursuant to Section 85 of the Act, any books, records, documents, or forms requested by the Department must be made available by the Community Association Management Firm or unaffiliated Community Association Manager within 30 days of such request.
- 7) Each Community Association Management Firm and unaffiliated Community Association Manager shall institute a written office policy to ensure that the community association management firm deposits and maintains Association Account funds in compliance with this Section.
- 8) Each Community Association Management Firm, and each Community Association Manager not associated with a Community Association Management Firm at the time of the original application for licensure and at the time of renewal of licensure shall file with the Department, on forms provided by the Department, the following information:
 - A) whether the applicant maintains Association Accounts;
 - B) the average number of Association Accounts so maintained during the most recent calendar year; and
 - C) whether the applicant maintains crime/fidelity insurance for such maintained Association Accounts.
- 9) Unless otherwise specifically set forth in a management agreement or other contract between a Community Association Management Firm or between an unaffiliated Community Association Manager and a community association, the Community Association Management Firm or unaffiliated Community Association Manager shall, within 10 days following receipt of the written request of a duly authorized representative of the association's board of directors, make available to the community association's board of directors, or its duly authorized designee, all of its Association Account Records.
- 10) Unless otherwise specifically set forth in a management agreement or other contract between a Community Association Management Firm and a community association or between an unaffiliated Community Association Manager and a community association, the Community Association

Management Firm or unaffiliated Community Association Manager shall provide to the party identified and authorized by the community association's board of managers all Association Accounts, funds, ledgers and monthly reconciliation statements with 10 days of a written request by the community association to transition such accounts, funds and records.

- c) Pursuant to Section 105 of the Act, the Department shall have the power to subpoena documents, books, records, or other materials and to bring before it any person and to take testimony either orally, by written interrogatory or any combination thereof, in order to enforce this Section.
- d) **Violations**
Any licensee who violates any of the provisions of this Section may be deemed to have endangered the public interest pursuant to Section 85 of the Act and may be subject to discipline pursuant to Section 85 of the Act.

(Source: Amended at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.200 Continuing Education

- a) **Continuing Education Credit Hour Requirements**
 - 1) Beginning with the renewal period ending August 31, 2025, each Community Association Manager shall complete 12 credit hours of CE for each renewal period.
 - 2) If the current term of the Community Association Manager license ends within the 90 days after the initial Community Association Manager license is issued, the licensee is not required to complete CE for that Community Association manager license term but shall complete all CE requirements before the next Community Association Manager license renewal deadline.
 - 3) Community Association Managers licensed in Illinois, but residing and/or practicing in other states, shall comply with the CE requirements set forth in this Section.
 - 4) The Department shall conduct audits to verify compliance with this Section.
- b) **Approved Continuing Education**

- 1) CE credit may be earned for verified attendance at or participation in, and completion of, a course offered by an approved CE sponsor that meets the requirements of:
 - A) Community Association Managers International Certification Board (CAMICB);
 - B) Community Associations Institute (CAI);
 - C) Apartment Building Owners and Managers Association (ABOMA);
 - D) Institute of Real Estate Managers (IREM);
 - E) Association of Condominium, Townhouse and Homeowners Associations (ACTHA);
 - F) any Illinois-accredited school, college, or university;
 - G) any Illinois-approved education sponsor offering courses related to Section 1445.210; and
 - H) Except as provided in this Section, CE credit shall not be given for CE courses taken in Illinois from providers not approved by the Department.
- 2) CE credit may be earned for verified attendance at and completion of a:
 - A) distance education course;
 - B) course offered through an interactive delivery method; or
 - C) webinar, provided that all courses must be offered and verified by an approved education sponsor.
- 3) CE credit may be earned for teaching an approved CE course. CE credit for teaching an approved CE course may only be earned one time per course during a renewal period. 50 minutes of teaching is equal to one credit hour of CE.
- 4) All CE courses shall be a minimum of 1 credit hour.

- 5) If licensees have earned CE credit in another state or territory for which they will be claiming credit toward full compliance in Illinois, each applicant shall submit an application, along with a \$25 processing fee, within 90 days after completion of the CE course and prior to expiration of the license. The Board may review and recommend approval or disapproval of the CE course provided the CE sponsor and CE course are substantially equivalent to those provided in Illinois.
- 6) CE credit may be earned for a maximum of 12 credit hours each renewal period for courses taken to satisfy the continuing education requirements established to maintain the following professional designations:
 - A) Certified Manager of Community Associations (“CMCA”);
 - B) Association Management Specialist (“AMS”); or
 - C) Professional Community Association Manager (“PCAM”).
- 7) An entity seeking approval as a CE sponsor which is not exempted in this Section from the requirement for pre-approval shall submit an application in a manner prescribed by the Division, along with the application fee specified in Section 1445.100. The application shall include:
 - A) Certification
 - i) that all programs offered by the sponsor for CE credit will comply with the criteria in this Section; and
 - ii) that the sponsor will be responsible for verifying attendance at each course and provide a certificate of attendance to both the licensee and the Division as set forth in this Section.
 - B) A copy of the course materials and list of instructors, as applicable.
- 8) All courses shall:
 - A) Contribute to the advancement, extension and enhancement or the professional skills of the licensee in the practice of the community association management profession;
 - B) Foster the enhancement of the community association management practice and values;

- C) Be developed and presented by persons with education and/or experience in the subject matter of the course;
 - D) Specify the course objectives, course content, and delivery and teaching methods to be used;
 - E) Convey content that is current and accurate.
- 9) Certification of Attendance: It shall be the responsibility of all education sponsors, regardless of whether they require approval by the Department, to provide each participant in a program with a certificate of completion. The sponsor's certificate of completion shall contain:
- A) The sponsor's name and, if applicable, sponsor approval number;
 - B) The name of the participant, and the participant's license number;
 - C) The name of the course and a brief statement of the subject matter;
 - D) The number of credit hours associated with the course;
 - E) The date and method of delivery of the course;
 - F) The signature of an authorized representative of the sponsor.
- 10) Every sponsor, regardless of whether they require approval by the Department, shall maintain attendance records for not less than 5 years.
- 11) Every sponsor, regardless of whether they require approval by the Department, shall be responsible for assuring that no renewal applicant will receive CE credit for time not actually spent for attending a program that is an approved course.
- 12) Every sponsor, regardless of whether they require approval by the Department, shall fulfill, within 14 days, student, or Division requests for course completion certificates.
- 13) Notwithstanding any other provision of this Section, the Division or Board may evaluate any sponsor, regardless of whether they require approval by the Department, or any approved CE program at any time to ensure compliance with requirements of this Section.

- c) Certification of Compliance with Continuing Education Requirements
- 1) Each Community Association Manager shall certify, on the renewal application, full compliance with the CE requirements set forth in subsections (a) and (b) and may be required to submit proof of completion of the CE requirements at the time of renewal.
 - 2) The Division may, for purposes of compliance audits, require additional evidence demonstrating compliance with the CE requirements (e.g., certificate of completion, transcript). It is the responsibility of each renewal applicant to retain and, if requested, provide proof of completed CE.
 - 3) For purposes of a compliance audit, the Division shall accept verification submitted directly from an education sponsor on behalf of a licensee as proof of CE compliance.
 - 4) Failure to comply with CE requirements is a violation of the Act and may subject a licensee to a citation or other discipline set forth in the Act or this Part.

(Source: Added at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.210 Curriculum for Continuing Education

- a) Continuing education courses shall consist of the following topics:
- 1) State and federal laws relating to the operation of all types of community associations, governing documents and State laws relating to corporations, partnerships, and nonprofit corporations;
 - 2) Preparation of community association budgets and community association accounts;
 - 3) Management, personnel matters, customer service and ethics;
 - 4) Maintenance operations;
 - 5) Insurance matters relating to community associations;
 - 6) Procedures for noticing and conducting community association meetings;
 - 7) Any legislative update to the:

- A) Illinois Community Association Manager Licensing and Disciplinary Act;
 - B) Illinois Condominium Property Act [765 ILCS 605];
 - C) Illinois Common Interest Community Association Act [765 ILCS 160]; or
 - D) the Illinois General Not for Profit Corporation Act [805 ILCS 105], or any administrative rules promulgated in connection that Act;
- 8) Fair housing, discriminatory practices, and harassment;
 - 9) High rise or townhome management and maintenance;
 - 10) Reserve studies and reserve funding;
 - 11) Any other topic approved by the Department.
- b) The sexual harassment prevention training required of all licensees may be counted by Community Association Managers toward their CE requirement for each renewal period (see Section 2105-15.5 of the Civil Administration Code of Illinois (Department of Professional Regulation Law) [20 ILCS 2105]). The sexual harassment prevention training may not be taken as a correspondence or home study course.

(Source: Added at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.220 Application for Pre-License Courses

- a) An education sponsor seeking to provide pre-license or CE courses shall submit for each course:
 - 1) A signed and completed pre-license course application in a format provided by the Division;
 - 2) The fee required by section 1445.100; and
 - 3) A course description, which shall make reference to the textbook or other materials used. The applicant shall make any education material referenced in the outline available to the Division upon request.

- b) All pre-license courses must comply with the provisions of Section 1445.40(b).
- c) Certification of Attendance: It shall be the responsibility of all pre-license education sponsors, regardless of whether they require approval by the Department, to provide each participant in a pre-license program with a certificate of completion. The sponsor's certificate of completion shall contain:
 - 1) The sponsor's name, and, if applicable, sponsor approval number;
 - 2) The name of the participant;
 - 3) The name of the course and a brief statement of the subject matter;
 - 4) The number of credit hours associated with course;
 - 5) The date and method of delivery of the course.
- d) An education sponsor must verify attendance for courses presented in a classroom, by interactive webinar, or by online distance education and shall maintain attendance records for not less than 5 years.
- e) The Division may approve courses that incorporate additional community association manager topics.

(Source: Added at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.230 Application for Education Sponsor and Course Approval

- a) Education sponsors requiring approval by the Department shall submit an application on forms prescribed by the Department to the Division for approval, which may include Board review. All courses offered for credit shall comply with the Act and this Part.
 - 1) Upon request by the Division, the education sponsor shall submit evidence necessary to establish compliance with the requirements of the Act and this Part.
 - 2) Upon request by the Division, the education sponsor shall resubmit an application for approval when, in the discretion of the Division, the education sponsor's course offerings, practices, or other matters require additional review.

- b) Approval of courses and education sponsors shall be effective for a period of 24 months following the date of approval. Course and education sponsors are required to apply for subsequent approval no later than 90 days prior to the date of expiration of the then-current approval period for courses and education sponsors.
- c) The Department, at its discretion, shall have the authority to rescind its approval of education sponsors for failure to comply with the requirements of the Act, this Part, or for other reasons as the Department may deem appropriate.

(Source: Added at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.240 Authorization for Third Party Designees to Review Courses

- a) Pursuant to Section 60 of the Act, the Department may utilize a third party to act as the Board's designee to review course materials submitted for approval.
- b) The Department may consider the recommendation of the Board on the utilization of the third party.

(Source: Added at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.300 Unprofessional Conduct

The Department may suspend or revoke a license, refuse to issue or renew a license or take other disciplinary action based upon its finding of dishonorable, unethical, or unprofessional conduct likely to deceive, defraud or harm the public (see Section 85 of the Act). Dishonorable, unethical, or unprofessional conduct may include, but is not limited to, the following acts or practices:

- a) Failing to be knowledgeable about and comply with the applicable governing documents, and policies and procedures of the client association.
- b) Knowingly misrepresenting material facts, making inaccurate statements, or acting in any fraudulent manner while representing client associations.
- c) Providing legal advice to client associations, or any of their members, or otherwise engaging in the unlicensed practice of law.
- d) Failing to promptly disclose to client associations any actual or potential conflicts of interest, including, but not limited to, the procurement of and/or payment for goods or services or any policy of insurance on behalf of a community association from a third party in which the licensee has greater than a 1% ownership interest

or from which the licensee receives or may receive dividends or other profit sharing distributions, other than a publicly held or traded company.

- e) Failing to act in a manner consistent with the licensee's fiduciary duty.
- f) Failing to conduct oneself, when acting in the scope of employment, in accordance with the terms and conditions of the contractual agreement, and in accordance with all local, State, and federal laws.
- g) Failing to maintain a duty of confidentiality to all current and former clients; or failing to reasonably safeguard confidential information, or improperly using confidential information; or failing to take reasonable steps to safeguard confidential information from unauthorized disclosure.
- h) Failing to ensure that homeowners receive timely notice; and the production of documents pursuant to direction by the community association's board as required by State statutes or legal documents.
- i) Failing to disclose any affiliation agreements, and the terms thereof, binding on a client association.
- j) Aiding or assisting a licensee or unlicensed individual to violate the Act or this Part.
- k) Obstructing an inspection, audit, investigation, examination, or disciplinary proceeding.
- l) Failing to return to a community association all original records that are the property of the community association within 30 days following termination of a management agreement or other contract between the Community Association Management Firm and the community association or an unaffiliated Community Association Manager and the community association.
- m) Charging fees not disclosed to a community association at the time of execution, amendment to, or renewal of, a management agreement or other contract between the Community Association Management Firm and the community association or an unaffiliated Community Association Manager and the community association without prior authorization.
- n) Converting, diverting, or expending funds from a community association account without written authorization other than to pay expenses incurred by or on behalf of the community association.

(Source: Added at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.310 Rules of Practice in Administrative Hearings

The Department of Financial and Professional Regulation Rules of Practice in Administrative Hearings (68 Ill. Adm. Code 1110) shall apply to all Department administrative hearings.

(Source: Added at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.320 Citations for Non-Compliance with Continuing Education Requirements

The Division shall conduct audits to verify compliance with the CE requirements of the Act and this Part. If, during an audit or compliance review, the Division determines that a licensee may be deficient in complying with CE requirements, the Division will issue a citation to the licensee, with copies to the licensee's designated Community Association Manager and Community Association Management Firm, of the deficiency. Service of the citation shall be made in person, electronically or by mail to the licensee at the licensee's address or email address of record. The licensee shall have 60 days after the date of service of the citation to submit evidence of compliance with CE requirements to the Division and to pay the fine imposed.

- a) The citation shall inform the licensee that the licensee may provide the Division with proof that the licensee has completed the required CE prior to the renewal deadline or deadlines associated with the audit. If satisfactory proof is provided within 60 days after the citation is served, the citation shall become null and void.
- b) The citation shall set forth the fine imposed and inform the licensee that the licensee may request a hearing contesting the deficiency within 30 days after the citation is served.
- c) The citation shall become a final non-disciplinary order if the cited licensee does not request a hearing within 30 days after the citation is served or if the cited licensee does not provide the Division with proof of completing the required CE, prior to the renewal deadline or deadlines associated with the audit, within 60 days after the citation is served. The fine shall be payable within 30 days after the date of the final order.
- d) A non-disciplinary fine in the amount of \$500 shall be assessed for a first citation for noncompliance with CE requirements. A non-disciplinary fine in the amount of \$1,000 shall be assessed for a second citation for noncompliance with CE requirements. Pursuant to Section 85.1(c) of the Act, a third and each subsequent citation for noncompliance with CE requirements shall result in publicly disclosed discipline and a fine in an amount not to exceed \$2,000.

- e) Payment of the non-disciplinary fine does not absolve the person from the responsibility to complete the CE requirements and correct the violation. Failure to satisfy the CE requirement or failure to pay the non-disciplinary fine may result in disciplinary action for the violations set forth in the citation.
- f) If the licensee fails to submit, within the 60 day period after the citation is served, satisfactory evidence of compliance with CE requirements and to pay the fine imposed, the licensee shall not engage in real estate activities for which a license is required under the Act until all required CE has been completed and payment is made for the fine imposed by the citation and for any fees required to reinstate or restore the license.

(Source: Added at 47 Ill. Reg. 8409, effective June 2, 2023)

Section 1445.400 Granting Variances

- a) The Director may grant variances from this Part in individual cases when the Director finds that:
 - 1) The provision from which the variance is granted is not statutorily mandated;
 - 2) No party will be injured by the granting of the variance; and
 - 3) The rule from which the variance is granted would, in the particular case, be unreasonable or unnecessarily burdensome.
- b) The Director shall notify the Board of the granting of the variance at the next meeting of the Board.

(Source: Added at 47 Ill. Reg. 8409, effective June 2, 2023)