



# Office of the State Bank Commissioner

## Regulatory Mailing

### RM2003-03

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**TO:** All State Chartered Trust Companies  
**FROM:** Clancy Norris, Bank Commissioner  
**DATE:** September 12, 2003

**RE:** K.A.R. 17-12-2 Daily Statement

This memo is intended to provide guidance regarding the appropriate preparation and retention of a daily statement/balance sheet by Kansas chartered trust companies as required by K.A.R. 17-12-2.

K.A.R. 17-12-2 states, "A summary of all transactions showing the assets, liabilities and net worth of the bank or trust company shall be prepared daily for each bookkeeping day and kept on file at the bank or trust company..." The regulation requires a daily statement/balance sheet be prepared each workday. The statement/balance sheet should include company assets, liabilities, and equity.

In reviewing the practices of all Kansas state-chartered trust companies it was found that not all companies are keeping a daily balance sheet. This is due in large part to the small staff of some of the companies and the labor intensive process of calculating accruals daily. The OSBC has reviewed this issue, keeping in mind the need for the daily information for use by the trust company and by OSBC examiners.

As of this date, for compliance with K.A.R. 17-12-2, it is the position of this office that management should have the *ability* to prepare a daily statement/balance sheet, should examiners or others request such information. This does not mean the information has to be maintained daily; it means such information should be accessible if requested. For those institutions that currently keep and print daily records, we encourage you to continue this practice. Further, the OSBC will require the trust company to prepare a statement/balance sheet on a *monthly* basis and store such information either electronically, in the monthly board minutes, or in a separate paper file. As of the date of this memorandum, trust examiners will begin confirming that statement/balance sheets are prepared monthly and retained either electronically, in the monthly board minutes, or in a separate paper file. Additionally, examiners *may* require, during an examination, that a statement/balance sheet be prepared as of that day, if necessary.

If you have any questions regarding this matter or need clarification, please do not hesitate to contact this office.