



TRAINING FOR BUSINESS SUCCESS

My Digital Broker Coach Checklist Toolkit

Brought to you by the Arizona REALTORS® Broker University Workgroup.

Thinking about becoming a Broker or opening your own office? We hope this checklist toolkit will help provide you with resources and a general idea of what would be involved.

Setting Up a Brokerage Checklist:

Broker License Requirements: http://www.azre.gov/Lic/Documents/Original_Licensing_Brochure.pdf

- Have at least three years active experience as a licensed salesperson or broker in Arizona or another state within the last five years.
- Submit a Verification of Employing Broker form (LI-226), completed and signed by your employing designated broker confirming active license experience for three of the last five years. If your salesperson license is held in another state, ADRE requires a Certified License History in addition to the employing broker form.
- Complete a 90-hour broker pre-licensing education course.
- Pass the school's final examination.
- Pass the Arizona State Real Estate examination.
- Attend 9 hours of Broker Management Clinic (BMC) prior to license activation.
- Provide proof of legal presence in the United States.
- Obtain a Criminal Clearance Card from the Department of Public Safety (Note: processing may take 5-8 weeks).

Resources:

ADRE: www.azre.gov

Best Practice Tip:

Set up a PLLC for your license.

Setting Up Your Company:

To understand the steps of setting up a new real estate office in Arizona.

- Identify anticipated cash flow needed to open an office: Start-Up Investment \$ _____
- Define your vision and mission statement for your company (sample: I will plan, budget, and set up a company that sells residential real estate in Surprise, Arizona):

- Determine if you want your firm to be a sole proprietor or have agents under the brokerage?
- Download the LI-213 Entity/Employer Broker Name Reservation Request from ADRE (note: will take approximately 7 days for processing from ADRE):
https://www.azre.gov/Lic/Forms/Form_LI-213_Entity_Employing_Broker_Name_Reservation_Req.pdf
- Reserve your company name on the Arizona Corporation Commission Website (ACC will hold name for up to 120 days): <http://ecorp.azcc.gov>
- Identify the type of entity (tip: talk to your CPA regarding the type of entity, i.e., corporation, LLC, or partnership) on ADRE Form LI-231:
http://www.azre.gov/Lic/Forms/Form_LI-231_App_for_Lic_as_Pro_Corp_or_Pro_LLC-Instructions.pdf
http://www.azre.gov/Lic/Forms/Form_LI-231_App_for_Lic_as_Pro_Corp_or_Pro_LLC.pdf
- File your paperwork with the ACC.
- Complete LI-212 Entity/Employing Broker Licensure Application (takes approximately 24-48 hours):
https://www.azre.gov/Lic/Forms/Form_LI-212_Entity_Employing_Broker_License_App.pdf
- Apply for your EIN number from the IRS (caution: never use social security number):
<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
- Identify business accounts you want/need (tip: talk with your bank representative).
- Find (<http://services.azre.gov/publicdatabase/SearchScheduledCourses.aspx>) and attend a BMC (1, 2 and 3) (tip: consider taking these while you are waiting the 7 day period for ADRE response to your LI-213):
<http://www.azre.gov/Lic/LicFaq.aspx#FAQ7>
- Determine if your company will have a logo? Who will design it?
- Determine if your company will have a website?
- Research and reserve your website URL?
- Determine if your company will have a presence on social media (Facebook, Instagram, LinkedIn)?
- Choose which local association will be your primary association?
- Set up IDX on your website (make arrangements with your MLS for your IDX feed)

Resources:

Arizona Law Book — Order Form: http://www.azre.gov/LawBook/Forms/Law_Book_Order_Form.pdf

Arizona Law Book — PDF version: http://www.azre.gov/LawBook/Documents/LawBook_Revised.pdf

Arizona Real Estate: A Professional's Guide to Law and Practice:
<https://www.aaronline.com/manage-risk/azre-book/>

AAR Legal Hotline Sign Up:

<https://www.aaronline.com/wp-content/uploads/2016/02/Legal-Hotline-Memorandum-2016-02-11.pdf>

Resources Continued from Page 2...

RPR — Broker Dashboard/Tools: <http://blog.narrpr.com/broker/>

SBA — Choose Your Business Structure: <https://www.sba.gov/starting-business/choose-your-business-structure>

NAR Article — Starting a Brokerage: What To Do:
<http://realtomag.realtor.org/for-brokers/network/article/2017/03/starting-brokerage-what-do>

Find a BMC Class Near You: <http://services.azre.gov/publicdatabase/SearchScheduledCourses.aspx>

ADRE — Trust Account Requirements: http://www.azre.gov/Aud/Documents/Trust_Account_Requirements.pdf

ADRE — Trust Account Basics: <http://www.azre.gov/Aud/TrustAccountBasics.aspx>

Best Practice Tips:

Talk to your CPA and/or banker before you do anything.

Financial (Business Planning):

To understand the steps to successful business planning for the success of your company.

Fail to plan—plan to fail.

- Determine how much money you will need to operate each month: \$_____
- Trust Account: Do you need it (http://www.azre.gov/Aud/Documents/Trust_Account_Requirements.pdf)?
- Commissions: Who will disburse checks (you, title company)?
- Understand the 1099 and W-2 Forms (employee vs. subcontractor).
- Determine what commission structure you will offer.
- Establish your expense budget:
Office space, tech requirements, business software, marketing, recruiting, staffing, insurance (E&O and G&L, cyber security), agent expenses, advertising/promotions, education, professional fees (accounting/consulting/legal), dues and memberships, travel/entertainment, salaries/wages, communications, franchise fees.
- Establish revenue projections depending on your area of specialty (new homes, resale, land, commercial, etc) (# of agents, average income, number of sales, number of listings).
- Establish profit margins.
- Determine which bookkeeping systems you will use (software or accounting firm).
- Transaction management: Research and determine what platform you will use?

Resources:

Drexanne Evers — Sample Financial Standards Budgets: <http://drexanne.com/dei-standards.html>

NAR Article — Determining Employee Status:
<http://realtomag.realtor.org/tool-kit/employment/article/determining-employee-status>

NAR Article — 20 Common-Law Factors:
<http://realtomag.realtor.org/tool-kit/employment/article/20-common-law-factors>

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NAR Article — 7 Items Every Independent Contractor Agreement Should Have:

<http://realtormag.realtor.org/tool-kit/employment/article/7-items-every-independent-contractor-agreement-should-have>

Article — From REALTOR to Broker: Determining the Model:

<https://theamericangenius.com/editorials/from-realtor-to-broker-determining-the-model/>

NAR Field Guide to Franchises vs. Independent Firms:

<https://www.nar.realtor/field-guides/field-guide-to-franchises-vs-independent-firms>

US Small Business Administration: <https://www.sba.gov/starting-business>

US SBA Creating Your Business Plan:

<https://www.sba.gov/starting-business/write-your-business-plan>

CRB Class — Building a Business Plan That Gets Results:

<http://www.whatisrebi.com/our-credentials/crb/business-planning/>

IRS — Form 1099-Misc & Independent Contractors: <https://www.irs.gov/help-resources/tools-faqs/faqs-for-individuals/frequently-asked-tax-questions-answers/small-business-self-employed-other-business/form-1099-misc-independent-contractors/form-1099-misc-independent-contractors>

NAR Book — Real Estate Office Management:

<https://www.nar.realtor/field-guides/field-guide-to-real-estate-office-policy-manuals>

Research:

To understand the environment to help you identify your desired office location.

- Determine Virtual or Bricks & Mortar.
- Identify your desired market area and specialty.
- Identify number of sales and competition in your target area/specialty.
- Brick & Mortar building:
 - Identify desired office location.
 - Determine who will handle tenant improvements.
 - Determine who will negotiate leases.
 - Determine if you will need staff (if so, how many/what functions)?
 - Determine if purchase or lease equipment.
- Virtual building:
 - Determine where main office will be (caution: if in an HOA area, check HOA CC&Rs).
 - Determine if you need virtual staff.
 - Purchase or lease equipment.
 - Read ADRE SPS 2005.15:
https://www.azre.gov/LawBook/Documents/SPS_Documents/SPS_2005.15_Broker_Home_Office.pdf
- Design and order signage.

Resources:

NAR Article — Virtual Offices: Remote Control:

<http://realtormag.realtor.org/for-brokers/feature/article/2007/07/virtual-offices-remote-control>

NAR Article — Beyond Bricks & Mortar:

<http://realtormag.realtor.org/for-brokers/standouts/article/2009/09/beyond-bricks-mortar>

ADRE Signage: http://www.azre.gov/Aud/Documents/Brokerage_Signage.pdf

Staffing (anticipated budget \$ _____):

To learn how to hire the right people for your firm.

- Determine how many staff will you need/want?
- What functions will staff perform: licensed vs. unlicensed? (ADRE SPS 2005.04):
https://www.azre.gov/LawBook/Documents/SPS_Documents/SPS_2005.04_Unlicensed_Assistants.pdf
- Obtain or develop job descriptions.
- Determine salaries.
- Identify what kind of training you will require/provide.
- Develop and set expectations.
- Determine what staff benefits you will offer.
- Payroll who will be handling paychecks and tax reporting?
- Obtain Independent Contractor Forms (real estate agents) resource: NAR.
- Determine commission structure options for your real estate agents.

Resources:

NAR — Field Guide to Compensation Plans for Real Estate Agents:

<https://www.nar.realtor/field-guides/field-guide-to-compensation-plans-for-real-estate-agents>

NAR Article — Creating a Good Job Description:

<http://realtormag.realtor.org/tool-kit/personal-assistant/article/creating-good-job-description>

NAR Article — Tax Requirements for Employees:

<http://realtormag.realtor.org/tool-kit/personal-assistant/article/tax-requirements-for-employees>

NAR Article — Understand Your Salespeople's Worker Classification:

<http://realtormag.realtor.org/for-brokers/network/article/2014/10/understand-your-salespeoples-worker-classification>

NAR Article — Tax Requirements for Employees:

<http://realtormag.realtor.org/tool-kit/personal-assistant/article/tax-requirements-for-employees>

NAR Article — Employment Law:

<http://realtormag.realtor.org/law-and-ethics/law/article/2005/01/employment-law>

NAR Article — Types of Personal Assistants:

<http://realtormag.realtor.org/tool-kit/personal-assistant/article/types-personal-assistants>

ADRE — Licensed vs. Unlicensed Assistants (read SP2005.04):

http://www.azre.gov/LawBook/Documents/SPS_Documents/SPS_2005.04_Unlicensed_Assistants.pdf

Resources Continued from Page 5...

CRB Course — Show Me The Money – Compensation Planning:
<http://www.whatisrebi.com/our-credentials/crb/compensation-planning/>

Policy Manual:

To understand the regulatory requirements for running an office and setting up company expectations for your agents.

Remember that your manual should be a living document and should be reviewed and updated yearly, especially if laws or practices change.

- Download the ADRE Model Policy Manual:
http://www.azre.gov/Aud/Documents/Broker_Office_Policies_Manual.pdf
- Customize the manual template for your firm.

Resources:

NAR — Checklist: Policy Manual Musts:
<http://realtormag.realtor.org/law-and-ethics/feature/article/2003/03/checklist-policy-manual-musts>

NAR — Field Guide to Real Estate Office Policy Manuals:
<https://www.nar.realtor/field-guides/field-guide-to-real-estate-office-policy-manuals>

ADRE — Model Broker's Policy and Procedure Manual:
http://www.azre.gov/Aud/Documents/Broker_Office_Policies_Manual.pdf

NAR Book — Real Estate Office Management:
<https://www.nar.realtor/field-guides/field-guide-to-real-estate-office-policy-manuals>

Open for Business Checklist:

File Management:

To determine how you are going to handle the file paperwork; i.e., paperwork or electronic.

- Research and select a transaction management platform.
- Determine and develop company developed forms (i.e., wire fraud disclosure form, etc).
- Set up file logs.

Personnel Management:

To develop a program of recruiting, hiring and training of your independent contractors and employees.

- Attend a class on recruiting (suggestion: CRB Recruiting for Success):
<http://www.whatisrebi.com/our-credentials/crb/recruiting/>
- Set up personnel agent folders (ICA, new hire application, etc.).
- Identify what you expect from your agents.
- Determine what new agent application form your firm will use.
- Identify profile of ideal agent you want in your firm (new agent, experienced agent, full time, part time, etc.).
- Determine recruiting efforts: where and how.
- Develop checklist of questions to be answered by potential recruits.
- Determine if you will offer coaching/mentoring programs.
- Identify standard productivity expectations for your agents.
- Require agents to list company as co-insured on agent's car insurance.
- If virtual – where will your agents meet with clients.

Resources:

ADRE – Required Files: <http://www.azre.gov/Aud/ReqFiles.aspx>

ADRE – Agreement Requirements: <http://www.azre.gov/Aud/AgreeReqs.aspx>

NAR Article – Best Tips For Brokers Helping Agents:
<http://realtormag.realtor.org/daily-news/2015/12/31/best-tips-for-brokers-helping-agents>

NAR Article – Recruitment Toolkit:
<https://www.nar.realtor/ae/manage-your-association/human-resources-toolkit/recruitment>

Training:

To determine how or who will train your independent contractors and employees.

- Will you offer in-house training? Purpose of training? How often?
- Will you have regular office meetings? Timing?
- Will you offer a reimbursement program for your agents' training?
- Have you included information about your training expectations in your office policy manual?
- How will you communicate with your agents? Print? Digital? Intranet? Frequency?

Resources:

CRB: <http://www.whatisrebi.com/>

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GRI: <http://azgri.com>

rCRMS: <https://www.aaronline.com/increase-knowledge/certified-risk-management-specialist-rcrms/>

NAR — Prepackaged Sales Meetings: <http://realtormag.realtor.org/tool-kit/sales-meetings>

NAR Article — One Fantastic Year of Sales Meetings:

<http://realtormag.realtor.org/for-brokers/feature/article/2011/01/one-fantastic-year-sales-meetings>

NAR — Field Guide to Sales Meetings:

<https://www.nar.realtor/field-guides/field-guide-to-sales-meetings>

Risk Management Checklist:

AAR Legal Hotline:

To advance your company with legal advice through AAR's Legal Hotline.

- Sign up: <http://www.aaronline.com/manage-risk/legal-hotline/>
- Incorporate Legal Hotline Q&A into your office meetings/communications to agents: <http://www.aaronline.com/manage-risk/legal-hotline/>

Manage Risk:

To determine how to reduce risk to your company.

- Review all your agents' social media websites.
- Set up social media alerts on your agents.
- Review your Office Policy manual annually.
- Provide ongoing training on Office Policy with your agents.
- Be familiar with ADRE's Supervision requirements.
- Who will handle issues if you are unable to (vacation, illness, etc.)?
- Establish a safety protocol/review with agents quarterly.

Advanced Training:

To be knowledgeable about advanced training for you and your agents.

- Earn the CRB designation (or take some CRB classes): <http://www.crb.com/membership/join/benefits.aspx>
- Sign up for CRB digital publication (it is free): <http://www.crb.com/newsandevents/publications/reb/default.aspx>
- Watch some of the CRB Webinars: <http://www.crb.com/education/webinars.aspx>

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- Sign up for CRB Accelerate (on-demand video series):
<http://www.crb.com/education/AccelerateTraining/Dashboard.aspx?TrainingType=Managers>
- Consider earning the AAR rCRMS certification program:
<https://www.aaronline.com/increase-knowledge/certified-risk-management-specialist-rcrms/>
- Consider earning the AAR CRPM certification program (if involved in property management):
<https://www.aaronline.com/increase-knowledge/crpm/>
- Consider attending the AAR Industry Partners Conference (September).
- Bookmark NAR Window to the Law Video Series: <https://www.nar.realtor/videos/window-to-the-law>
- Bookmark AAR Legal Hotline Articles: <https://www.aaronline.com/manage-risk/legal-hotline/>
- Attend the AAR Convention (March).
- Attend the NAR Convention (September).
- Join Broker Mastermind groups in your area.

Stay Current:

To become aware of current issues that affect your brokerage

- Read the Voice (AAR's weekly digital newsletter):
<https://www.aaronline.com/stay-informed/arizona-realtor-voice/>
- Read the ADRE Bulletin: <http://azre.gov/Bulletins/Bulletins.aspx>
- Read the Commissioner's Advisories: <http://www.azre.gov/LawBook/Advisories.aspx>
- Watch the monthly AAR Mack In a Minute video series:
<https://www.aaronline.com/increase-knowledge/new-broker-programs/broker-university/mackinaminute/>
- Incorporate AAR's Contract Conversation video series into your office meetings.
- Sign up for the NAR Broker Involvement Program: <http://realtoractioncenter.com/realtors/brokers/enrollment.html>
- Register to vote.
- Become a RAPAC Major Investor: <https://www.aaronline.com/voice-at-the-capitol/rapac/>
- Attend AAR's REALTOR® Day at the Capitol.

Resources:

NAR — Window to the Law video series: <https://www.nar.realtor/videos/window-to-the-law>

NAR — Legal Case Summaries: <https://www.nar.realtor/legal-case-summaries>

NAR — Legal Pulse: <https://www.nar.realtor/publications/legal-pulse>

NAR — Risk Management Forms and Documents: www.realtor.org/topics/risk-management



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