

2021 Kansas Statutes

58-9a-403. Accounting for business or other activity conducted by fiduciary. (a) This section applies to a business or other activity conducted by a fiduciary if the fiduciary determines that it is in the interests of the beneficiaries to account separately for the business or other activity instead of:

- (1) Accounting for the business or other activity as part of the fiduciary's general accounting records; or
 - (2) conducting the business or other activity through an entity described in K.S.A. 2021 Supp. 58-9a-401(a)(2)(A), and amendments thereto.
- (b) A fiduciary may account separately under this section for the transactions of a business or other activity, whether or not assets of the business or other activity are segregated from other assets held by the fiduciary.
- (c) A fiduciary that accounts separately under this section for a business or other activity:
- (1) May determine:
 - (A) The extent to which the net cash receipts of the business or other activity must be retained for:
 - (i) Working capital;
 - (ii) the acquisition or replacement of fixed assets; and
 - (iii) other reasonably foreseeable needs of the business or other activity; and
 - (B) the extent to which the remaining net cash receipts are accounted for as principal or income in the fiduciary's general accounting records for the trust;
 - (2) may make a determination under paragraph (1) separately and differently from the fiduciary's decisions concerning distributions of income or principal; and
 - (3) shall account for the net amount received from the sale of an asset of the business or other activity, other than a sale in the ordinary course of the business or other activity, as principal in the fiduciary's general accounting records for the trust, to the extent the fiduciary determines that the net amount received is no longer required in the conduct of the business or other activity.
- (d) Activities for which a fiduciary may account separately under this section include:
- (1) Retail, manufacturing, service and other traditional business activities;
 - (2) farming;
 - (3) raising and selling livestock and other animals;
 - (4) managing rental properties;
 - (5) extracting minerals, water and other natural resources;
 - (6) growing and cutting timber;
 - (7) an activity to which K.S.A. 2021 Supp. 58-9a-414, 58-9a-415 or 58-9a-416, and amendments thereto, applies; and
 - (8) any other business conducted by the fiduciary.

History: L. 2021, ch. 63, § 19; July 1.