

**637.403 Business and other activities conducted by trustee.**

1. If a trustee who conducts a business or other activity determines that it is in the best interest of all the beneficiaries to account separately for the business or activity instead of accounting for it as part of the trust's general accounting records, the trustee may maintain separate accounting records for its transactions, whether or not its assets are segregated from other trust assets.

2. A trustee who accounts separately for a business or other activity shall determine the extent to which its net cash receipts must be retained for working capital, the acquisition or replacement of fixed assets, and other reasonably foreseeable needs of the business or activity, and the extent to which the remaining net cash receipts are accounted for as principal or income in the trust's general accounting records. If a trustee sells assets of the business or other activity, other than in the ordinary course of the business or activity, the trustee shall account for the net amount received as principal in the trust's general accounting records to the extent the trustee determines that the amount received is no longer required in the conduct of the business.

3. The trustee may maintain separate accounting records for any of the following activities:

- a. Retail, manufacturing, service, and other traditional business activities.
- b. Farming.
- c. Raising and selling livestock and other animals.
- d. Management of rental properties.
- e. Extraction of minerals and other natural resources.
- f. Timber operations.
- g. Activities to which [section 637.426](#) applies.

[99 Acts, ch 124, §11](#)

Referred to in [§637.401](#), [637.413](#), [637.424](#), [637.426](#), [637.503](#)