

TRUST

Law Society Rules & Changes 2011

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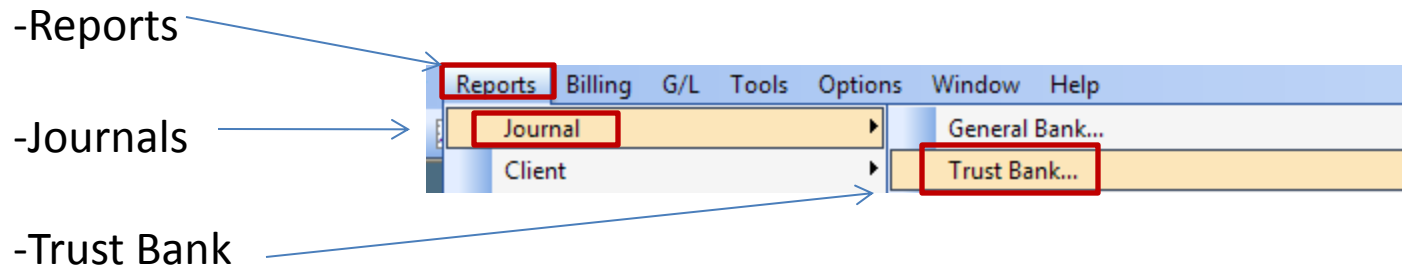
November 13, 2012

Trust Bank Reconciliation Reports

Reports to be included with your trust bank reconciliation are:

- **Trust Bank Journal**

- Print an individual bank journal for each trust bank



Change:

•Account number

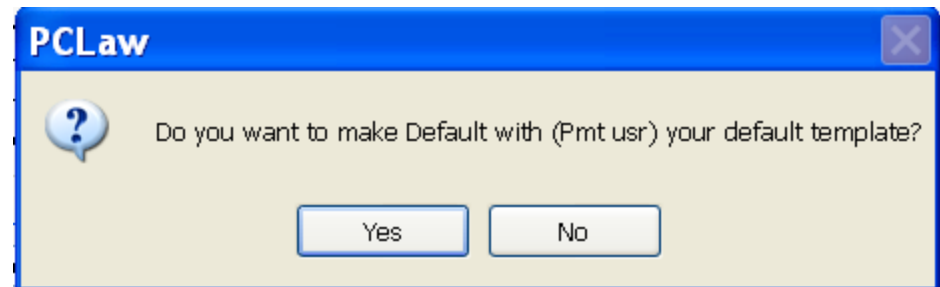
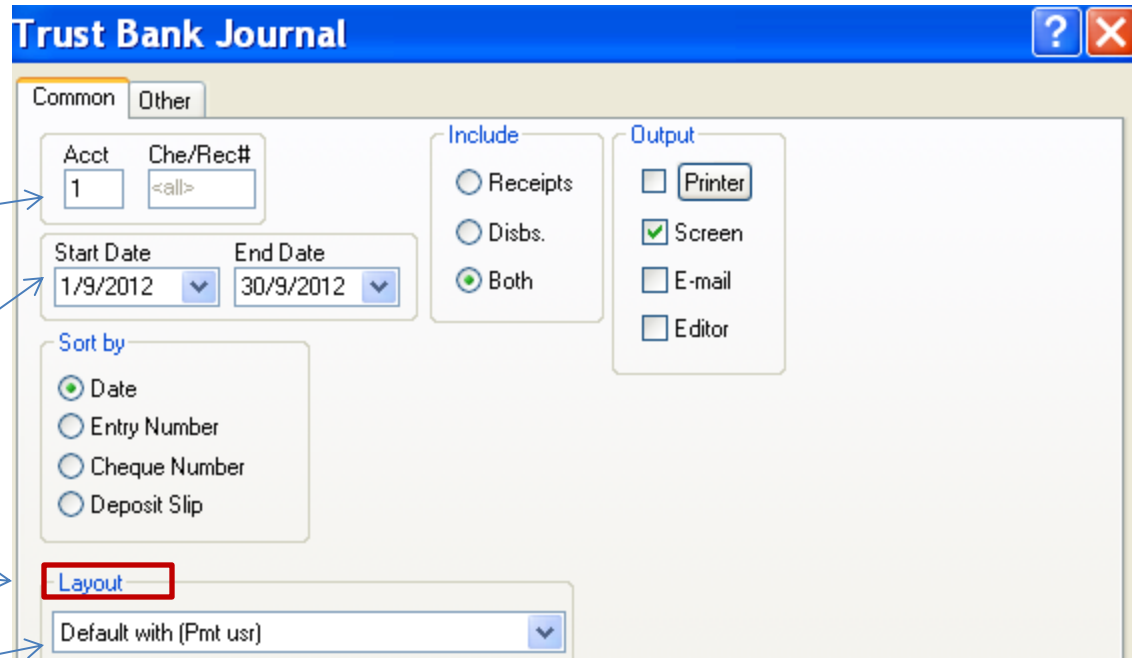
•Dates (current month)

•Layout

- Default with (pmt usr)

- Use the down arrow to select this default.

- Say yes to make this your default template



Note: check layout each month to ensure it has not been changed

Trust Bank Journal										
9/Nov/2012										
Training Law Firm										
Trust Bank Journal										
ALL DATES										
Date	Entry #	Received From/Paid To	Matter	Acc#	Che/Rec# /Clr /Btch	Client	Allocated	Cheque	Receipt	Entry Tot
User	Pmnt Method									
Sep 3/2012	10	ABC Company Ltd. Retainer	1003	1	00001	ABC Company Ltd.			2000.00	
ADMIN										
		Cheque								2000.00
		Total for 3/Sep/2012:	2000.00							
Sep 10/2012	19	Jack & Sue Adams Cash to Close	1004	1	00002	Adams, Jack & Su			2396.00	
ADMIN										
		Bank Cheque								2396.00
		Total for 10/Sep/2012:	2396.00							

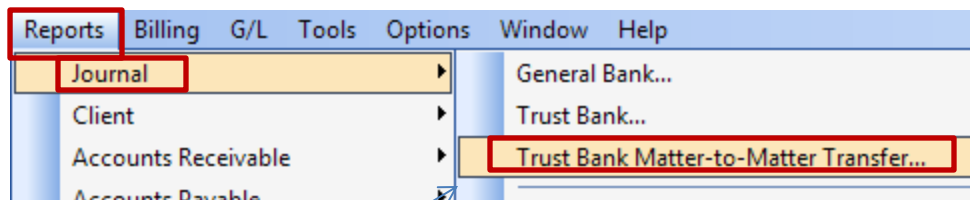
- The journal will now show how the payment was received

•Trust Bank Matter to Matter Transfer Journal

•Reports

•Journals

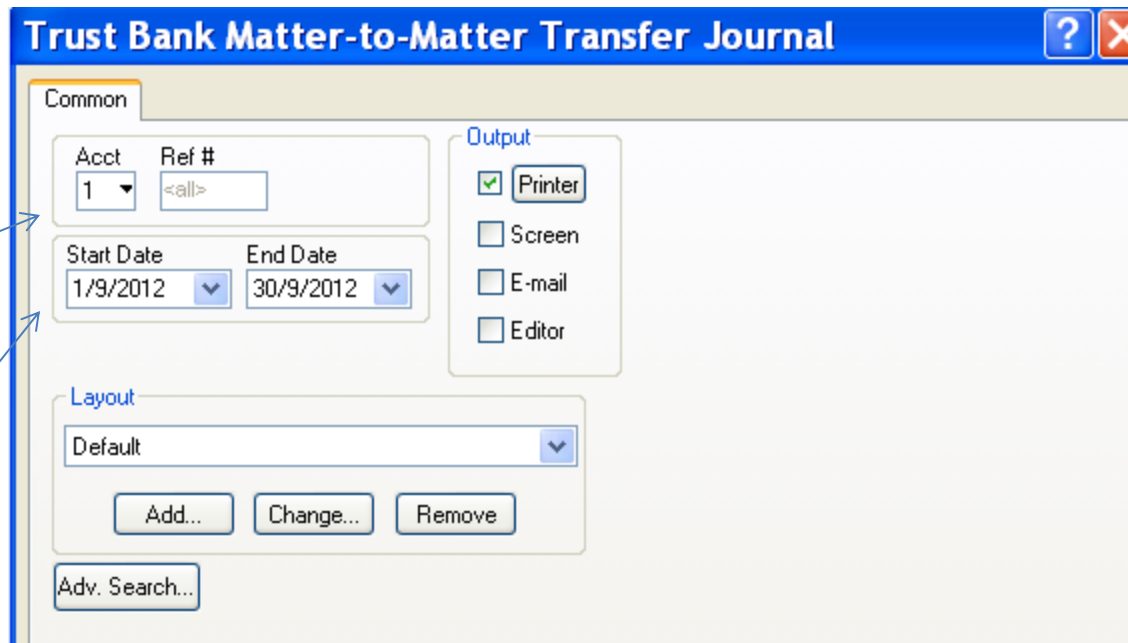
•Bank Matter to Matter transfer journal



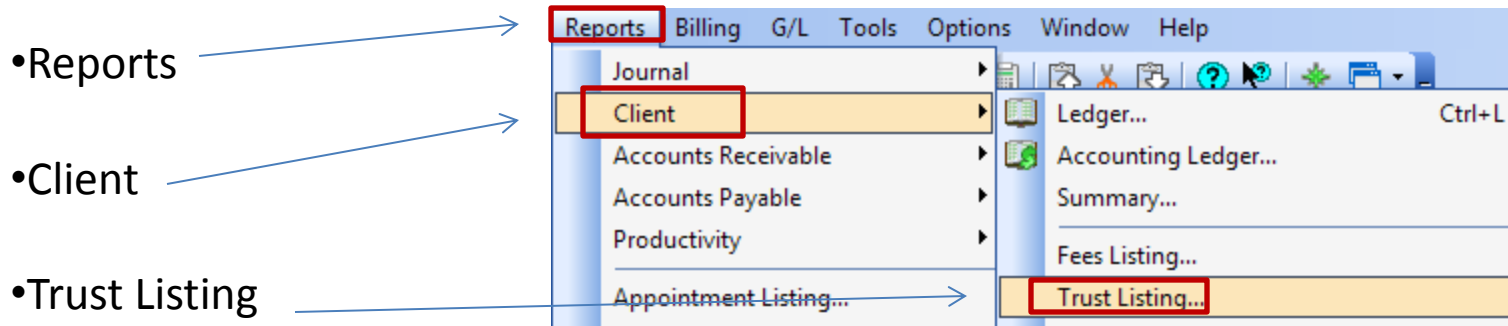
Change:

•Account number
(may do one report for all banks)

•Dates (current month)



•Client Trust Listing



•Reports

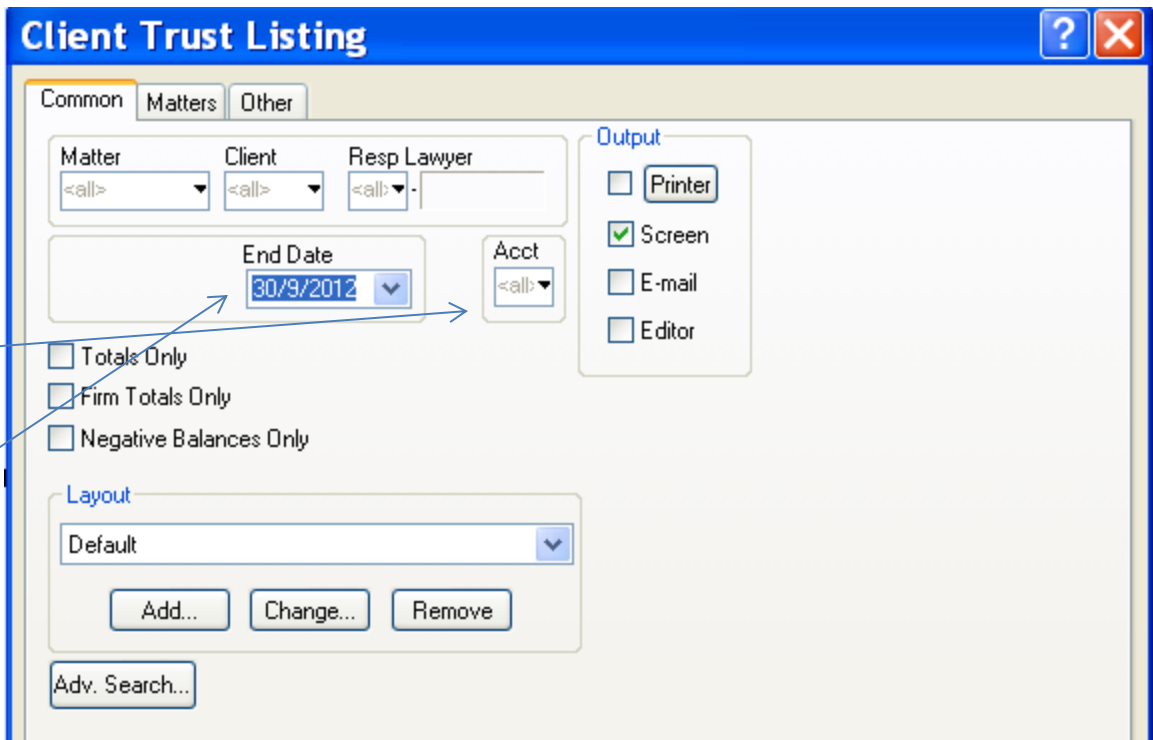
•Client

•Trust Listing

Change:

•Account number

•Date (end of month)



Print an individual trust listing for each trust bank

Self Reporting at year end

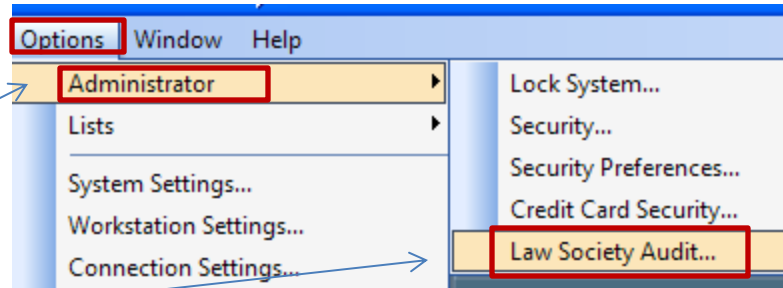
To turn on self reporting in PCLaw

Select:

•Options

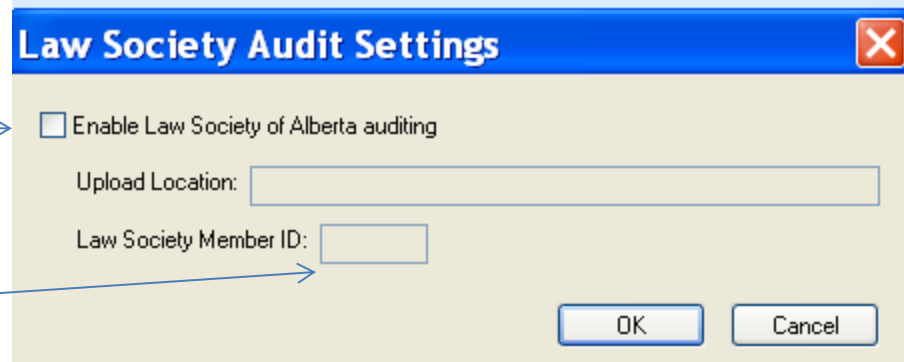
•Administrator

•Law Society Audit



Select enable Law Society of Alberta auditing

Type in responsible lawyer
Law Society Member ID

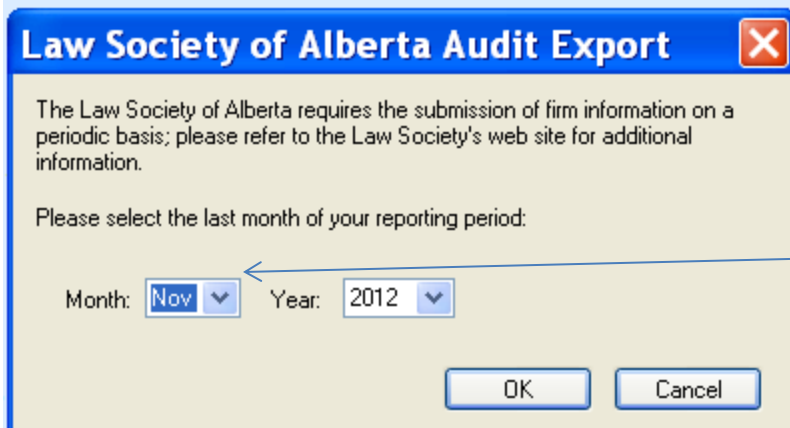
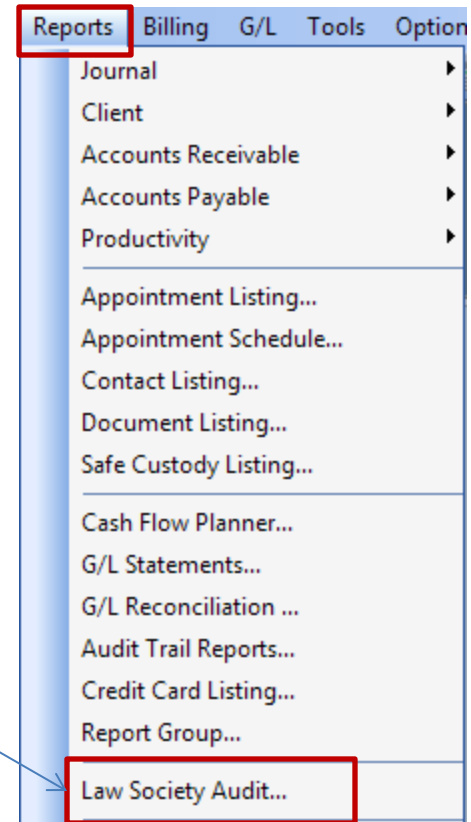


The changes will show the next time you open PCLaw.

- Once you have re-opened PCLaw you will see a Law Society Audit option

- Reports

- Law Society Audit



- Insert the month for your trust year end

- okay

- Now follow instructions as given by the Law Society

Restrict Negative Trust Balances

- Client trust balances will never be in a negative position when this option is selected

The image shows a screenshot of the 'System Settings' dialog box in a software application. The dialog box has a blue title bar with the text 'System Settings' and a question mark icon. Below the title bar, there are several tabs: 'Past Due/Interest', 'Provincial', 'Memorized Transactions', 'Cheque Pattern', and 'Front Office'. Underneath these, there are more tabs: 'Firm', 'Other', 'Data Entry', 'Banking', 'Tax', 'Matter', and 'Billing'. The 'Data Entry' tab is selected and highlighted with a red box. The 'Data Entry' tab contains several sections of settings:

- Time**: Save Time in Hrs and Mins
- Timer**: Bound Time Entries to 0.10 Hrs (dropdown), Auto Track Time Reduction, Add Notes to Time Entries
- Hold Charges**: Allow Charges to be Held
- Accounts Payable**: Allow More Than 24 Inv./Chk.
- Expense**: Use Quantity x Rates Entries, Mark Up Client Expense (Default Markup %: 0.00), Show Expense Gross Amounts
- Trust**: Allow Trust-to-General Transfer of Fee WIP, One Matter per Page on Client Trust List, Restrict Negative Trust Balance
- Payment and Retainer Rules**: Blend Tax Payments
- Apply Payments To**: Disbursements (1st), Fees (2nd)
- Auto Allocate Retainers at Billing, Auto Allocate Payments to Invoices, Auto Allocate Payments to G/L Accounts
- Allow General Retainers (Max Amount (0=No Limit): 0.00), Always Transfer Overpayments to Trust

At the bottom of the dialog box are buttons for 'OK', 'Cancel', and 'Help'. To the left of the dialog box is a vertical list of menu items: 'Time/Fees', 'Client Costs', 'Trust', 'Billing', 'Client Receipts', 'Firm Month/Year', 'Firm', 'Accounts Payable', and 'Utilities'. The 'Utilities' item is highlighted with a red box. Blue arrows point from the 'Utilities' item to the 'System Settings' dialog box, and from the 'System Settings' dialog box to the 'Data Entry' tab. A red arrow points from the 'Restrict Negative Trust Balance' checkbox to the text 'Select Restrict Negative Trust Balance'.

• Utilities

• System Settings

• Data Entry tab

• Select Restrict Negative Trust Balance

Miscellaneous

- Trust funds to pay an invoice
 - File must be billed and funds transferred to general no later than 1 month after the work has been completed
- Cheques must be made payable to the ultimate recipient
 - Letter to authorize (direction to pay) that is signed by the client may be acceptable
- Electronic Withdrawals
 - on-line - by member only
 - Only member can know the password
 - EFT (electronic funds transfer) – letter faxed to bank with member signature
 - Form on the Law Society website must be completed
 - Requires a hard copy with relevant data – a hardcopy confirmation from the bank within 2 banking days showing date, amount, source account number, destination account number and name
- ATM cards
 - For deposit only in trust
 - Attach the deposit slip from the machine to either your deposit book or your PCLaw deposit slip' with the file name and number indicated.

- Trust deposits taken to the bank by the next business day
- Trust shortages
 - You must notify the Law Society of any shortages over \$2500.00 even if they were immediately corrected.
 - Any amount not corrected within 7 days must also be reported.
 - Form is on the Law Society of Alberta website www.lawsociety.ab.ca
- All theft must be reported for both trust and general accounts
- CDIC (Canadian Deposit Insurance Corporation)
 - You must send a trust listing to each bank in which you have a trust account whether or not the bank requests a listing
 - Customize the trust listing using “Customizing layouts in reports” from the mornings session
 - Call the layout “CDIC” and only show
 - File number
 - Bank number
 - Amount in trust for that file
- Trust Receipts and Trust Cheques
 - Show why funds were received or disbursed in the explanation box
 - Be specific (trust funds received is not acceptable)

- Credit / Debit Cards

- Trust money must be deposited directly to trust

- General funds can go to trust but must be transferred to the general account as soon as funds are received in the bank account

- Cardholder name, Client name and file number must be recorded on the merchant slip

- Merchant slip must be attached to the deposit slip

- Walk in client / Notarizations / ILA

- Client must receive either an invoice or receipt at time of payment or prior to payment. Include client name and method of payment on the receipt.

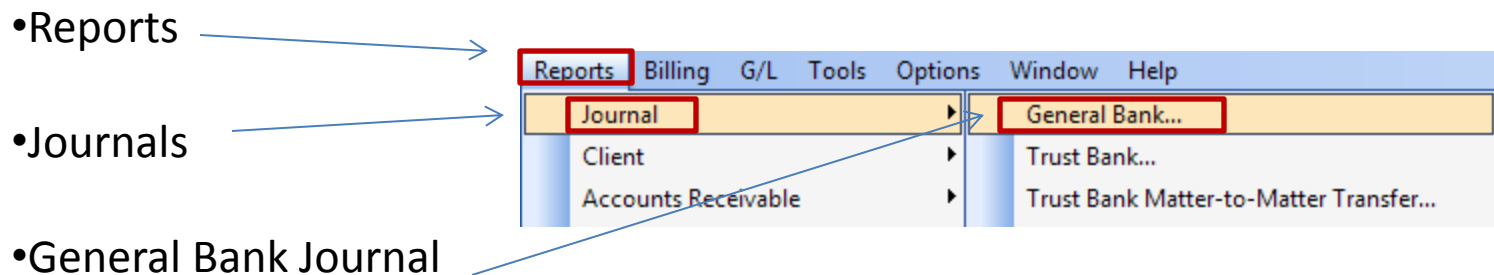
- An invoice must be produced in PCLaw and the payment recorded to accounts receivable (this can be done after the client pays if a receipt was given to the client)

General Bank Reconciliation

- General bank reconciliations must be reconciled by the end of the following month (same as trust)
- General bank statement must say “General” on the statement
- Reports to be included with your general bank reconciliation are:

•General Bank Journal

Print an individual bank journal for each general bank



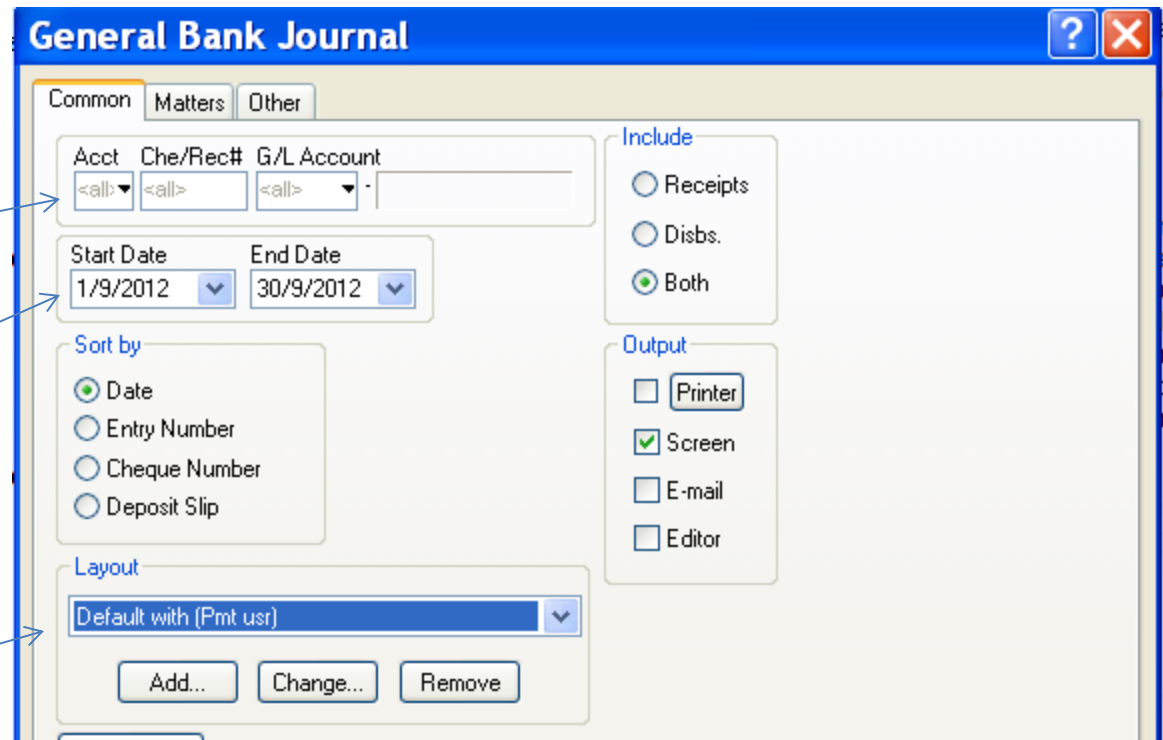
Change:

- Account number

- Dates (current month)

- Layout

 - Default with (pmt usr)



- You must print an individual bank journal for each bank if you have more than one general account

(See trust notes for instructions on changing the layout)

•Billing / Fees Journal

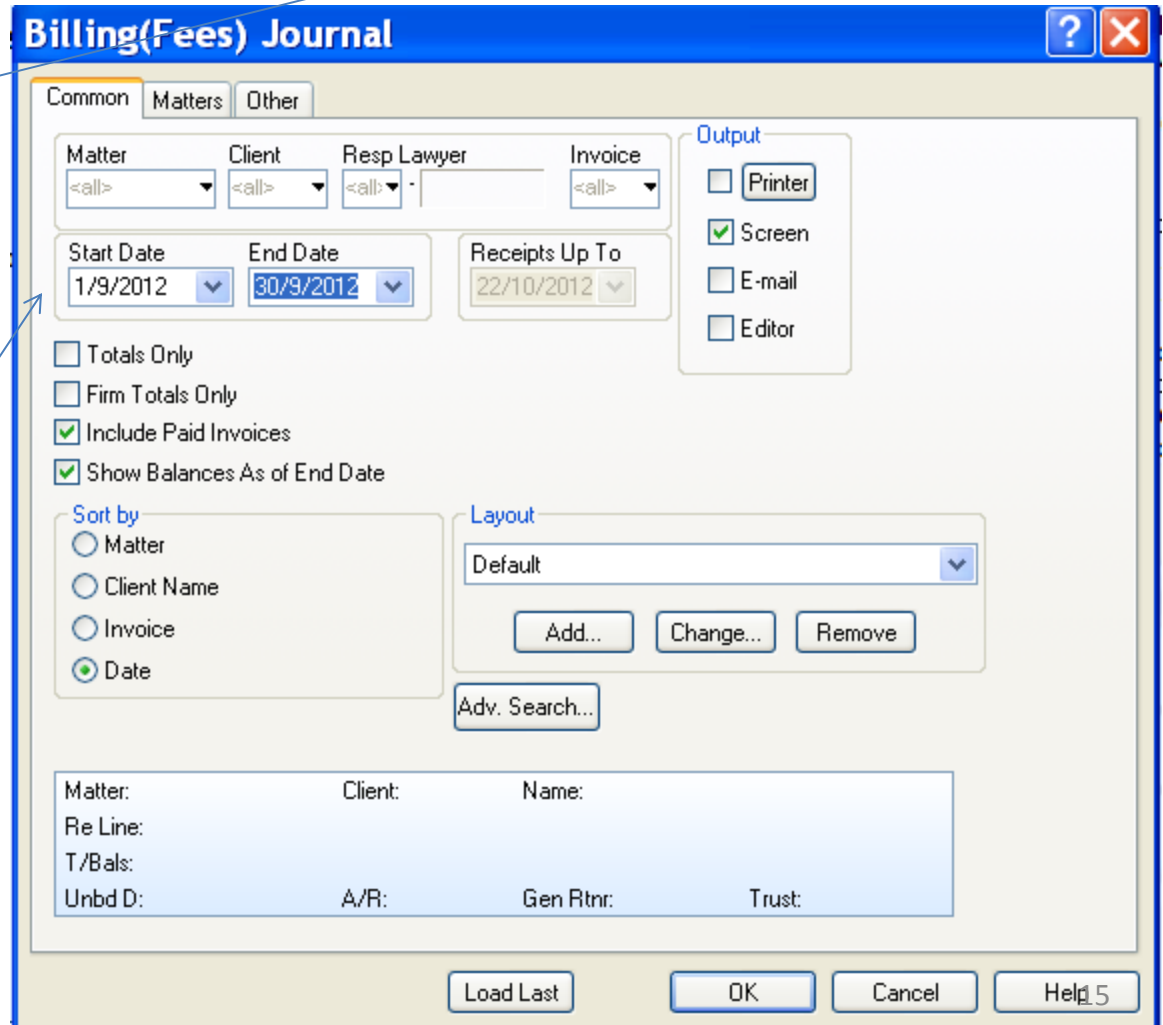
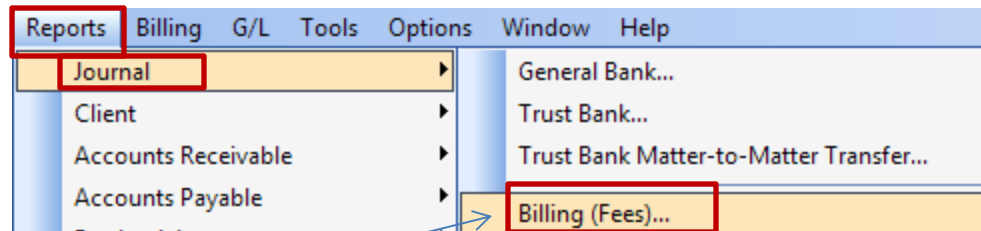
•Reports

•Journals

•Billing/Fees Journal

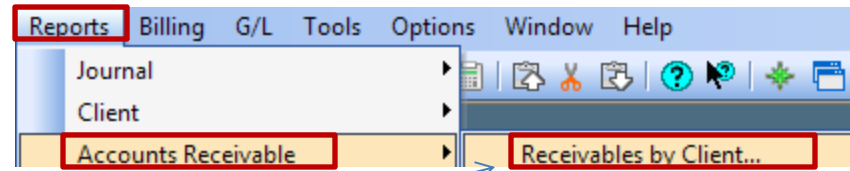
Change:

•Dates (current month)



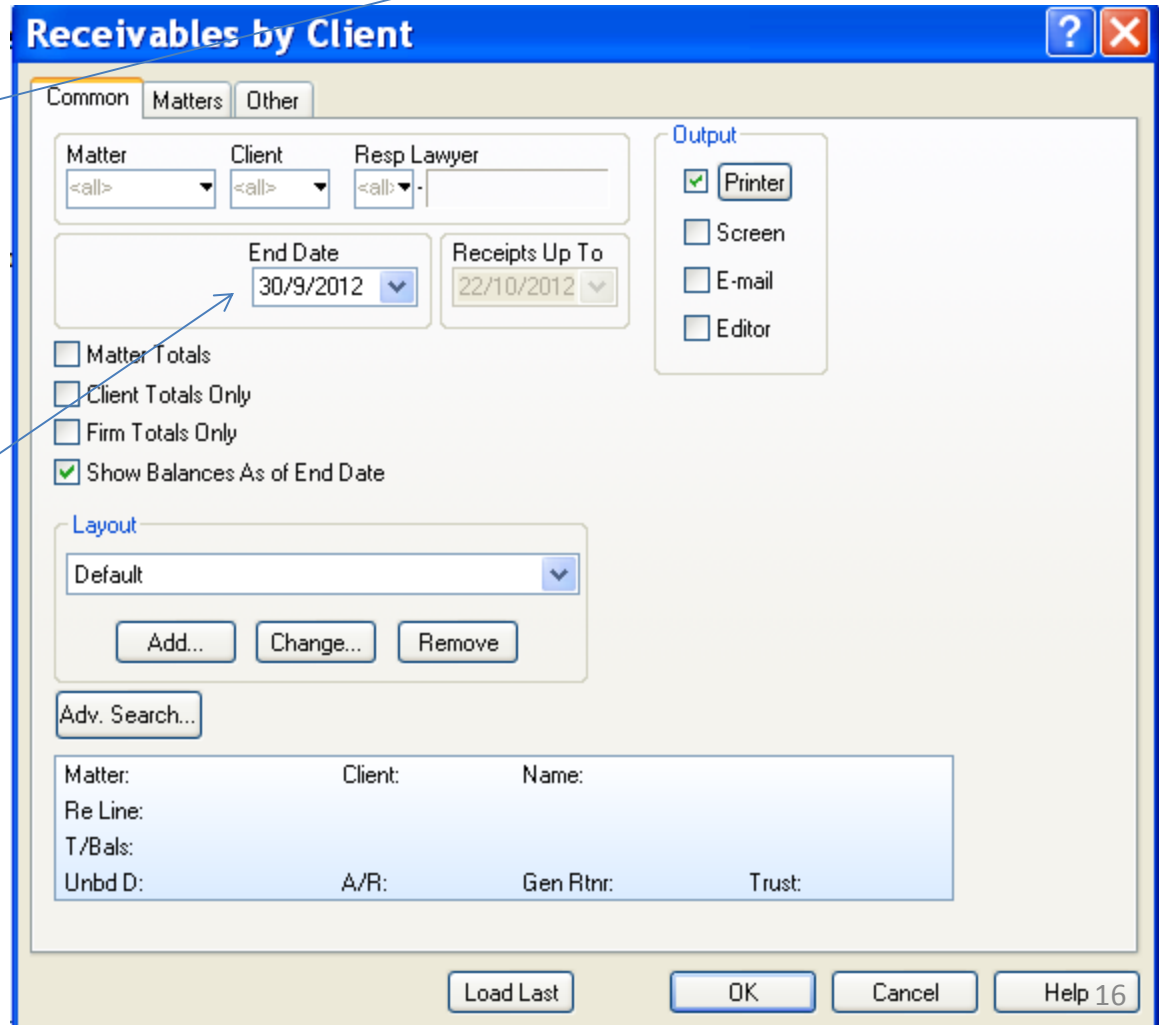
•Receivables by Client

•Reports



•Accounts Receivable

•Receivables by Client



Change:

•Date (end of month)

Closing Files

- Client ledger must be printed and included on the file prior to closing
- A second client ledger must be kept in a central file or binder called “Closed Ledgers”

Backups

- There must be an offsite or electronic backup done monthly
- Your offsite backup should include PCLaw, my documents and precedents

Note: This is the minimum. You should utilize several backup or clone options available such as the PCLaw backup, USB, CD or removable hard drive