

Bank reconciliation exercise

You are the new administrator for Animal Law Corp. It is April 5, 2020 and the responsible lawyer has asked you to reconcile the trust account to February 29, 2020.

You recently took the Law Society Trust Accounting course and are eager to apply your trust accounting knowledge. While preparing the trust bank reconciliation, you identified a number of exceptions to the Law Society trust accounting rules. You have made a list of these exceptions to discuss with the lawyer.

Complete the following:

1. The trust bank reconciliation for February 29, 2020.
2. List all the exceptions to the trust accounting rules you discover with completing the reconciliation.

**Bank reconciliation for Animal Law Corporation
For February 29, 2020**

Trust Assets

Bank statement balance at February 29, 2020	_____	
Add:	_____	

Deduct:	_____	

Adjusted bank statement balance at February 29, 2020	_____	(A)

Control account

Trust journal balance at February 29, 2020	_____	(B)
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Client trust liability list

Date of last trust transaction

_____	_____	
_____	_____	
_____	_____	
_____	_____	
Total	_____	(C)

Prepared by: _____ Date: _____

Reviewed by: _____ Date: _____

(Hint: (A) (B) & (C) should match.)



Big Bank Statement

123 Main Street, Vancouver, BC V1V 1V1

Animal Law Corporation

Account 3953-239684

January 1, 2020 to February 29, 2020

	<u>Withdrawals</u>	<u>Deposits</u>	<u>Balance</u>
Carryforward balance from December 31, 2019		\$	6,000.00
5-Jan-20 Deposit		\$ 400.00	\$ 6,400.00
8-Feb-20 Deposit		\$ 1,500.00	\$ 7,900.00
10-Feb-20 Cheque #50	\$ 450.00		\$ 7,450.00
12-Feb-20 Deposit		\$ 750.00	\$ 8,200.00
15-Feb-20 Cheque #51	\$ 500.00		\$ 7,700.00
16-Feb-20 Online Transfer	\$ 250.00		\$ 7,450.00

Two cheques are enclosed with this bank statement.

Animal Law Corp 888 - 1 st Avenue Vancouver, BC V2V 2V2	Big Bank 123 Main Street, Vancouver, BC V1V 1V1	0050
Pay to the order of <u>Animal Law Corp. General</u>		Date <u>Feb 10, 2020</u>
<u>Four Hundred Fifty</u>	<u>\$ 450.00</u>	
Animal Law Corp TRUST ACCOUNT		<u>Legal Assistant</u>

Animal Law Corp 888 - 1 st Avenue Vancouver, BC V2V 2V2	Big Bank 123 Main Street, Vancouver, BC V1V 1V1	0051
Pay to the order of <u>Animal Law Corp. General</u>		Date <u>Feb 15, 2020</u>
<u>Five Hundred</u>	<u>\$ 500.00</u>	
Animal Law Corp TRUST ACCOUNT		<u>Legal Assistant</u>

Animal Law Corporation					5
Trust ledgers					
Date	Description	Form of funds	Disbursement Debit	Deposit Credit	Cumulative Balance
Animal Law Corporation (float)					
1-May-18	Deposit from the general account	cheque		\$ (1,000.00)	\$ (1,000.00)
Bear, Bruce					
5-Jan-20	Deposit from Bruce Bear	draft		\$ (400.00)	\$ (400.00)
10-Feb-20	Trust cheque #50 to Animal Law Corp general		\$ 450.00		\$ 50.00
Cat, Catriona					
8-Feb-20	Deposit from Catriona Cat	cheque		\$ (1,500.00)	\$ (1,500.00)
28-Feb-20	Trust cheque #52 to Animal Law Corp general		\$ 525.00		\$ (975.00)
Deer, Dominique					
31-Jan-20	Deposit from Dominique Deer	cheque		\$ (3,000.00)	\$ (3,000.00)
Fox, Felicia					
12-Feb-20	Deposit from George Giraffe	cash		\$ (750.00)	\$ (750.00)
15-Feb-20	Trust cheque #51 to Animal Law Corp general		\$ 500.00		\$ (250.00)
16-Feb-20	Online transfer to Animal Law Corp general		\$ 250.00		\$ -
Lion, Larissa					
6-Dec-15	Deposit from Larissa Lion	cheque		\$ (5,000.00)	\$ (5,000.00)

Animal Law Corporation						
Trust book of entry (or trust receipts and disbursements journal)						
January 1, 2019 to February 29, 2020						
Date	Description	Client	Form of funds	Debit (deposit)	Credit (withdrawal)	Cumulative balance
	Carryforward balance					\$ 6,000.00
5-Jan-20	Deposit from Bruce Bear	B.Bear	draft	\$ 400.00		\$ 6,400.00
31-Jan-20	Deposit from Dominique Deer	D. Deer	cheque	\$ 3,000.00		\$ 9,400.00
8-Feb-20	Deposit Catriona Cat	C.Cat	cheque	\$ 1,500.00		\$ 10,900.00
10-Feb-20	Trust cheque #50 to Animal Law Corp general	B.Bear			\$ (450.00)	\$ 10,450.00
12-Feb-20	Deposit George Giraffe	F. Fox	cash	\$ 750.00		\$ 11,200.00
15-Feb-20	Trust cheque #51 to Animal Law Corp general	F. Fox			\$ (500.00)	\$ 10,700.00
16-Feb-20	Online transfer to Animal Law Corp general	F. Fox			\$ (250.00)	\$ 10,450.00
28-Feb-20	Trust cheque #52 to Animal Law Corp general	C.Cat			\$ (525.00)	\$ 9,925.00

Receipt

No. 1

Date 12-Feb-20

Received from George Giraffe Amount

\$750

Received by Legal Assistant Paid by

- Cash
- Cheque
- Money Order
- Bank draft

Client Name: Fox, Felicia

File Number: 10-001