

Practice Resource

Trust Accounting Checklist

Accounting System and Records	Done
1. General accounting records (<i>Rule 3-69, Rule 3-70 & Rule 3-71</i>)	
• General book of original entry (general receipts and disbursements journal)	
• Accounts receivable ledger	
• Billing records	
• Cash receipt book of duplicate receipts	
2. Trust accounting records (<i>Rule 3-68, Rule 3-70 & Rule 3-73</i>)	
• Trust book of original entry (trust receipts and disbursements journal)	
• Client trust ledgers	
• Cash receipt book of duplicate receipts	
3. General and pooled accounts opened in the name of the practice	
4. Pooled trust account opened with a designated financial institution (<i>Rule 3-56 & Rule 3-58</i>)	
5. Instructions to the financial institution in writing to remit the net interest earned on the pooled trust(s) account to the Law Foundation (<i>Rule 3-60</i>)	
6. All bank statements and both sides of all cancelled cheques or cheque images received from the bank (<i>Rule 3-67</i>)	
7. Trust account bank statements and cheques are clearly marked "Trust" (<i>Rule 3-60</i>)	
8. Trust transactions are recorded within 7 days (<i>Rule 3-72</i>)	
9. General transactions are recorded within 30 days (<i>Rule 3-72</i>)	
10. Trust account(s) is / are reconciled within 30 days of month end (<i>Rule 3-73</i>)	
11. Reconciliations reviewed, signed and dated by lawyer (<i>Rule 3-54</i>)	
12. CDIC letter(s) sent to bank (except credit unions) by May 30th annually (<i>Rule 3-77</i>)	

Handling Trust Funds	Done
13. All trust funds are deposited as soon as practicable (<i>Rule 3-58</i>)	
14. Receipts are given for any amount of cash received (<i>Rule 3-70</i>)	
15. Good understanding of the application of the \$7,500 cash rule (<i>Rule 3-59</i>)	
16. Trust Administration Fee (TAF) applied once to each distinct client matter (<i>Rule 2-110</i>)	
17. Adequate funds held in the client's trust ledger before trust cheque is written (<i>Rule 3-63, Rule 3-64</i>)	

18. For payment of fees from trust; all trust cheques signed and dated on or after the date of preparation and delivery of the respective invoice (<i>Rule 3-64 & Rule 3-65</i>)	
19. Any trust shortages are immediately corrected (<i>Rule 3-74</i>)	
20. Trust shortages greater than \$2,500 are reported to the Law Society (<i>Rule 3-74</i>)	

Practice Management	Done
21. Client identification and verification system in place (<i>Rule 3-98 to Rule 3-109</i>)	
22. New file opened for each separate client matter (<i>Rule 2-109 & Rule 3-68</i>)	

Financial Remittances	Done
23. Diarize payroll source deductions and remittances (if applicable)	
24. Diarize PST remittances	
25. Diarize GST remittances	
26. Diarize Trust Administration Fee (TAF) remittances (<i>Rule 2-110</i>)	

Law Society Trust Report	Done
27. Annual Practice Declaration (<i>Rule 2-8</i>)	
28. Annual Trust Report (<i>Rule 3-79</i>)	

Need additional help?

Trust Assurance Line: 604.697.5810

Trust Assurance Email: trustaccounting@lsbc.org