

Reporting Form



TRUST REPORT

(SAMPLE ONLY – NOT FOR FILING)

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Law Society Rule 3-72 requires practising lawyers to complete an annual Trust Report. Per Law Society Rule 3-48(2), one form may be submitted for a multi-lawyer practice provided that all the trust activities of each lawyer in the practice is included within the scope of this report.

Before proceeding, please review the Filing Instructions. On a section-by-section basis, it contains the necessary information to complete this form.

The report, together with the completed schedules, must be submitted to the Law Society within 3 months of the reporting period end:

- If the practice had no trust accounts in this reporting period, complete only Section A.
- If the practice handled or held trust funds that total \$5,000 or less in this reporting period, complete Sections A and B, and forward copies of all trust account bank statements and the fronts and backs of cancelled trust cheques to the Law Society.
- If the practice handled or held trust funds that total more than \$5,000 in this reporting period, complete Sections A and B before forwarding the form to an accountant for completion of Section C. The final step is the Section D declaration of the lawyer(s) responsible for the practice's trust accounting.

SECTION A: DESCRIPTION OF PRACTICE

This section must be completed by every practising lawyer or on behalf of all practising lawyers of the law practice. Some of the following questions may contain data currently on file with the Law Society; update as necessary.

1. Reporting period: ___ month(s), ending _____
2. Name(s) under which the practice is conducted: _____
3. Does the practice operate as an apparent partnership?
Yes No
4. Practice address: _____
Postal code: _____ Telephone: _____
Primary Contact: _____ E-mail: _____
5. In addition to its main B.C. office, this practice is carried on at more than one location:
Yes No
If yes: Within British Columbia In other provinces Internationally
Address(es): _____
Postal code: _____ Telephone: _____

6. The practice received funds in trust or withdrew funds held in trust in the reporting period: Yes No
7. The practice held trust funds in the reporting period: Yes No
8. In the reporting period, the practice had a signatory to the trust account(s) who was an insolvent lawyer as defined by Law Society Rules. If yes, download, complete, and attach Schedule 3 Declaration of Insolvent Lawyer. Yes No
9. In the reporting period, the practice used a trust account of another lawyer(s) for its trust activity: Yes No

If yes, please indicate the name(s) of the lawyer(s):

10. In the reporting period, the practice handled trust funds on behalf of another lawyer(s): Yes No

If yes, please indicate the name(s) of the lawyer(s):

11. List all lawyers (employees, contractors and partners) at the practice during the reporting period (exclude contract lawyers who file their own Trust Reports, unless they are signatories to the trust account(s) of this practice):

Name of lawyer

If less than the full reporting period,
give dates

_____	_____
_____	_____
_____	_____
_____	_____

12. List all lawyers who are signatories to the trust account(s) of this practice:

Name of lawyer

If less than the full reporting period,
give dates

_____	_____
_____	_____
_____	_____

13. Identify the BC lawyers of the practice who, in addition to acting in the capacity of a lawyer, acted as a custodian, or who acted in any of the following capacities where the appointment was derived from a solicitor-client relationship (refer to definition of “*trust funds*” in Rule 1 of the Law Society Rules): an executor or administrator of a will, an administrator of an estate; a committee; a representative authorized under a Representation Agreement to make financial or legal decisions; an attorney under any power of attorney, or a trustee (**if none, so state**).

Name of lawyer(s) and Type of Appointment

14. Complete Schedule 1 (paper version only). This is a list of all open and closed accounts during the reporting period, including but not limited to general accounts, pooled trust accounts, separate trust accounts, and all trust accounts maintained under a name other than the name of the practice. All trust accounts in respect of the appointments described in Question #13 above should also be included.

The following information should be provided in the list:

- Savings institution name and branch street address
- Name on account
- Account number
- Dates of account, if less than the full accounting period
- Type of account

15. The practice maintains a system for logging and opening a file for each separate client matter whether trust funds are held or not: Yes No

16. Computer software is used to maintain books and records: Yes No

If yes: name of software program _____

The practice has a computer back-up system that is appropriately and regularly maintained:

Yes No

The practice is able to print hard copies of records for all monthly periods: Yes No
(See “Filing Instructions, Section A - Internal Controls”)

17. The practice uses off-site storage for its books, records, and/or client files: Yes No

If yes: Please indicate the off-site storage location(s): _____

(Note: Books and records for the current year and the previous two years must be kept on site.)

18. The practice or lawyer(s) in the practice received monies from clients during the reporting period which were not trust funds or payments of bills (example may be loans): Yes No

19. The practice has monies in a trust account which have been unclaimed for two years Yes No

(See “Filing Instructions, Section A – Unclaimed Trust Funds”)

20. The practice issued any cheque that was not honored during the reporting period: Yes No

If yes, please provide a listing of such cheques and how each was remedied,
(Note: Law Society Rule 3-66(2))

21. The practice has been audited by a regulatory organization other than as required by the Law Society: Yes No

If yes: Name of Regulatory Organization: _____

22. A person or firm has been designated to act as the Winding Up Caretaker in the event of death or disability: Yes No

If yes: Name of lawyer(s) or firm: _____
(See "Filing Instructions, Section A - Winding Up Caretaker")

23. The practice has professional liability insurance in excess of the mandatory Law Society limits: Yes No

SECTION A: LAWYER'S DECLARATION

I _____
Name of lawyer, partner, or voting shareholder

(In a practice with more than one lawyer, partner or voting shareholder, this section must be signed by one partner with signing authority on the firm trust accounts. If the firm has no trust accounts, this section may be signed by a partner.)

declare that all the information disclosed in Section A is true and correct.

Signature _____ Date _____

SAMPLE

SECTION B: FINANCIAL PROFILE

This section must be completed if the practice handled or held trust funds in the reporting period.

1. Identify the areas of practice with trust activity during the reporting period:
- | | | |
|--|------------------------------|-----------------------------|
| a) Administrative (including labour, immigration, regulatory bodies) | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| b) Civil litigation (excluding motor vehicle) | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| c) Commercial lending transactions | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| d) Corporate | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| e) Creditors' remedies | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| f) Criminal | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| g) Family (excluding incidental real estate, wills and estates) | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| h) Intellectual property | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| i) Motor vehicle | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| j) Property Management – residential or commercial | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| k) Real estate | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| l) Securities (reporting companies) | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| m) Tax | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| n) Wills, trusts and estates | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
2. The **total** number of trust transactions during the reporting period was (estimate if necessary):
 0 - 10 11 - 100 101 - 1000 over 1000 trust transactions
3. The **largest** trust transaction during the reporting period was:
 ≤ \$5,000 > \$5,000 but ≤ \$100,000 > \$100,000 but ≤ \$1,000,000
 > \$1,000,000
4. The **average balance** in the trust account(s) during the reporting period (to calculate, add the trust account bank balances at the end of each month and divide the total amount by the number of months in the reporting period) was:
 ≤ \$10,000 > \$10,000 but ≤ \$100,000 > \$100,000 but ≤ \$1,000,000
 > \$1,000,000
5. During the reporting period, the practice received, in respect of one client matter or transaction, an aggregate amount of cash of \$7,500 or more. Yes No N/A
6. All trust shortages during the reporting period were immediately eliminated as required by Rule 3-66(1): Yes No N/A
7. The practice made an immediate written report to the Law Society for all trust shortages over \$2,500 as required by Rule 3-66(2): Yes No N/A
8. The practice has filed annual CDIC report(s) in accordance with Rule 3-70:
(See "Filing Instructions, Section B – CDIC Insurance") Yes No N/A
9. The practice has paid all payroll, PST and GST remittances to government when due: Yes No

10. More than 20% of the practice billings are attributable to one client/related group:
 (See“Filing Instructions, Section B – Practice Billing Information”) Yes No
11. The practice has paid all Trust Administration Fee (TAF) remittances to the Law Society of BC when due: Yes No N/A

For completion of Questions 12 through 14, refer to “Filing Instructions, Section B – Internal Controls”.

12. Internal control procedures are in place for access to all trust funds: Yes No
13. The practice has an adequate system to record and post all financial transactions on a timely basis: (See Rule 3-63) Yes No
14. Does the practice prepare periodic internal financial statements? Yes No
15. Does the practice hold valuable property of clients, other than trust funds? Yes No
 If yes, does the practice maintain a current list of the valuable client property?
 (See “Filing Instructions, Section B – Other Client Valuable Property” and Chapter 7.1 of the Professional Conduct Handbook) Yes No

Additional Comments/Explanations (attach a signed, separate letter if more space is required):

If, in the reporting period, the practice handled or held trust funds that total \$5,000 or less, you may stop after Section B. Send in copies of all trust account bank statements and the fronts and backs of cancelled trust cheques for the entire reporting period, by mail or fax to (604) 687-0135.

SECTION B: LAWYER’S DECLARATION

I _____
 Name of lawyer, partner, or voting shareholder with signing authority on the firm trust accounts
 (In a practice with more than one lawyer with signing authority on the firm trust accounts, only one trust signatory is required to sign this section.)

certify that all the information contained in Section B is true and correct, and, if applicable, I will disclose to the Accountant named in Section C all account records of this law practice, and all other information necessary for the accountant to complete this form.

Signature _____ Date _____

SECTION C: SUMMARY OF ACCOUNTANT'S SPECIFIED PROCEDURES

This section must be completed by a qualified accountant for a practice which handled or held trust funds that total more than \$5,000 in the reporting period.

I/we _____, CA CGA ,
performed

("the Name of the CA/CGA Accountant or Firm completing the Report")

the following procedures in connection with the requirement for the practice known as

_____ for the reporting period ending
("Name of the Practice")

_____ on all its books, records and accounts:

1. I/We have read the information provided by the practice in Sections A and B, and the Filing Instructions and related materials: Yes No
2. I/We have read Part 3, Divisions 7 and 8 of the Law Society Rules, Chapter 7.1 of the Law Society Professional Conduct Handbook, and Sections 11, 33, 62 and 88 of the Legal Professional Act: Yes No
3. I/We have scanned the following books and records of the practice for compliance with Law Society requirements, and any exceptions have been noted:
 - Rule 3-59 Accounting records Yes No
 - Rule 3-60 Trust account records Yes No
 - Rule 3-61 General account records Yes No
 - Rule 3-62 Billing Records Yes No
 - Does the practice maintain its records in accordance with Rule 3-68:
(Books and records for the current year and the previous two years must be kept on site.) Yes No
4. I/We have scanned the monthly listings of unexpended balances of client trust funds and overdrawn individual balances have been noted as exceptions: Yes No
5. I/We have scanned the monthly trust reconciliations up to field work completion date, irregularities have been reviewed and un-reconciled differences noted as exceptions: (See Rule 3-65 for requirements of trust reconciliation) Yes No
6. I/We have scanned the monthly trust bank reconciliations, and compared the balances to the monthly trust reconciliation. Any trust irregularities or shortages have been reviewed to confirm that the practice has complied with Rules 3-55 and 3-66 and exceptions noted: (See Rule 3-65 requirements) Yes No
7. I/We have checked that all:
 - trust accounts have been reconciled to the date field work was completed Yes No
 - pooled/separate trust accounts in use during the period have been identified. Yes No
8. I/We have checked in detail one month's trust bank reconciliations (not period end): Yes No
9. I/We have checked in detail one monthly trust reconciliations (not period end): Yes No
10. I/We have scanned the monthly reconciled listing of "Other Client Valuable Property" held by the practice: Yes No N/A
(See Rule 3-65(2)(e) and Chapter 7.1 of the Professional Conduct Handbook.)

11. I/We have test checked the trust and non-trust transactions for prompt recording and any exceptions identified have been noted (Rule 3-63): Yes No

Date books recorded to: Trust _____ General _____

12. I/We have test checked transactions involving all bank accounts used by the practice during the reporting period for:

- Posting and allocation of receipts and payments (Rule 3-51, Rule 3-56, and Rule 3-58): Yes No
- Fee transfers from trust to non-trust accounts (Rule 3-57): Yes No

13. I/We have checked the trust liability and accounts receivable subledgers for:

- Entries arising from other than banking transactions that are not done in accordance with Law Society Rules (Rule 3-60(c)) Yes No
- Trust balances that have been inactive and meet criteria of unclaimed trust funds (Rule 3-82) Yes No
- Credit balances on accounts receivable Yes No
- Debit balances on trust ledgers Yes No

14. I/We have scanned each pooled and separate trust account for assurance that:

- The account was in a designated savings institution (Rule 3-49) or that client authorizations were in place for deposit into non-insured accounts (Rule 3-51(4)): Yes No
- Instructions were given to the bank to remit the interest on pooled funds to the Law Foundation: Yes No
- Annual CDIC reports were filed (Rule 3-70): Yes No N/A
- Each account (including bank statements and cheques) was designated trust: Yes No
- Other provisions of Rule 3-52 and Rule 3-53 have been adhered to: Yes No

15. I/We have randomly selected eight files, with trust activity, and test checked that:

- trust funds were deposited promptly and handled appropriately (Rule 3-51, 3-56, 3-58): Yes No
- withdrawals for fees were made in accordance with Rule 3-57: Yes No

16. State the Trust Assets and Trust Liabilities at the end of the reporting period. These figures can be taken directly from the lawyer's General Ledger. The Law Society of BC has no expectation that the accounting firm will audit the figures or express an opinion thereon.

Trust Assets: _____ Trust Liabilities: _____

17. I/We have performed these procedures at the premises of the practice: Yes No
If no, please provide a separate explanation.

As a result of applying the specified auditing procedures, I/we found no exceptions to the sections of the Legal Profession Act and Law Society Rules as referenced in the Trust Report Filing Instructions, except as stated below. **(If more space is required, attach signed pages on your letterhead. If no exceptions, so state).** However, no audit has been performed on the financial information and I/we express no audit opinion thereon.

Date fieldwork completed _____ Date this report signed _____

Signature of CA/CGA Accountant

Contact

Mailing Address: _____

Telephone/Facsimile/E-mail: _____

SECTION D: LAWYER'S DECLARATION

I/we _____

Name(s) of lawyer(s) with signing authority on the firm trust accounts

(In a practice with multiple signatories on the firm trust accounts, two trust signatories are required to sign this section.
In a practice with only one signing authority on the firm trust accounts, only one trust signatory is required to sign this section.)

certify that I/we have disclosed, to the Accountant named in Section C, all account records of this law practice, including all funds, securities and other investments received on behalf of clients, and that I/we permit the Law Society to directly contact the Accountant for clarification on procedures performed and exceptions noted.

Pursuant to Rule 3-77(1), if your accountant has noted exceptions in Section C, you are required to provide an explanation of these exceptions to satisfy the conditions of a satisfactory and complete report under Rule 3-72. Please review the exceptions and provide your comments below (attach a signed, separate letter if more space is required):

SAMPLE

Signature _____

Date _____

Signature _____

Date _____

Schedule 1 – Savings Institution Account Listing

	<u>Savings Institution Name and Address</u>	<u>Name on Account</u>	<u>Account Number</u>	<u>Dates Account Opened/Closed If Not Full Reporting Period</u>	<u>Account Type</u>
1					
2					
3					
4					
5					

SAMPLE

Information in this form is collected under section 33 of the *Legal Profession Act* and Law Society Rule 3-72. The information is used for regulatory purposes. Should you have any questions about the use of this information, please contact the Trust Review Department at the Law Society of British Columbia, 845 Cambie Street, Vancouver, B.C. V6B 4Z9, Telephone (604) 669-2533 (Toll Free in BC 1-800-903-5300).
2/23/2005