



# Practice Resource

## Trust Accounting Checklist

Accounting System and Records	Done
1. General accounting records ( <i>Rule 3-69, Rule 3-70 &amp; 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 &amp; 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 &amp; 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 &amp; 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> )	

<b>Practice Management</b>	<b>Done</b>
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 &amp; Rule 3-68</i> )	

<b>Financial Remittances</b>	<b>Done</b>
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> )	

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

### Need additional help?

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