

## Practice Resource

### Remitting Interest to the Law Foundation

#### Law Society Rule 3-60 (3)

Please ensure that, for every pooled trust account opened or maintained by you or your firm, the financial institution involved has been instructed in writing to pay interest on the account and to remit it directly to the Law Foundation of British Columbia.

The Law Foundation has agreements with the major banks, trust companies and credit unions as to the rate of interest that will be paid on pooled trust balances. However, there is some evidence that some financial institutions, at least at the branch level, will not pay interest unless they have received written instructions to do so.

Law Society Rule 3-60 (3) requires that lawyers give such written instructions to their financial institutions. Please check to make sure that your firm has done so.

Every dollar of interest that is earned on pooled trust accounts goes to the Law Foundation. We are all beneficiaries of their work, mainly through their grants to the law libraries and to legal aid, and it is important that we all do everything possible to maximize their income.

A sample letter is attached.

[Name]

[CONFIDENTIAL]

[Date]

[Addressee]

[Address]

Dear Sir/Madam:

**Re: Trust Account – [Number]**

By this letter, I am (*we are*) advising your institution that the above account is a pooled trust account that will contain the funds of more than one client.

The Law Society of British Columbia requires that a pooled trust account shall:

- a. be interest bearing;
- b. provide monthly cancelled cheques and bank statements to the lawyer;
- c. be readily available to be drawn upon by the lawyer;
- d. be designated as a “trust” account on the records of the savings institution (and the lawyer); and
- e. be an account in respect of which the savings institution has agreed with the lawyer to pay interest to the Law Foundation

Law Society Rule 3-60 (3) (a) requires that every lawyer who opens or maintains a pooled trust account “instruct the savings institution, in writing, to remit the net interest earned on the account, directly to the Law Foundation of British Columbia.”

This letter is my (*our*) instruction to you to calculate the interest on the above account at the rate and in the manner agreed upon between your institution and the Law Foundation of British Columbia, and to remit such interest directly to the Law Foundation according to the terms of that agreement (in the event that there is no agreement in place, please contact The Executive Director of the Law Foundation). This letter authorizes and directs you to provide the Law Foundation with such information and explanation, as it requires verifying the calculation of the interest remitted, including:

- a. account balance information during the reporting period;
- b. the interest rate and the gross interest earned;
- c. service charges deducted (if service charges are deducted, they are limited to the routine processing of transaction items for: deposits; cheques; return of cancelled

(cleared) cheques; stop payment orders; and a reasonable fee for Law Foundation payment processing; and

- d. the net interest earned after deduction of service charges.

A standard form remittance report that should accompany that remittance can be obtained from the Law Foundation.

Please forward the interest directly to:

The Law Foundation of British Columbia  
1500 – 675 West Hastings Street  
Vancouver, BC  
Canada, V6B 1N2

and please advise me (*us*) of the amount of each transmittal.

Yours truly,

**[Name, Title]**

cc: Law Foundation