

# TRUST

## Law Society Rules & Changes

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# Restrict Negative Trust Balances

• Client trust balances will never be in a negative position when this option is selected

The screenshot shows the 'System Settings' dialog box with the 'Data Entry' tab selected. The 'Trust' section contains the option 'Restrict Negative Trust Balance', which is checked. Annotations include a red box around the 'System Settings' title bar, a red box around the 'Data Entry' tab, a red box around the 'Utilities' menu item in the left sidebar, and a red arrow pointing from the 'Restrict Negative Trust Balance' checkbox to the text 'Select Restrict Negative Trust Balance'.

• Utilities

• System Settings

• Data Entry tab

• Select Restrict Negative Trust Balance

**System Settings**

Past Due/Interest Provincial Memorized Transactions Cheque Pattern Front Office  
Firm Other **Data Entry** Banking Tax Matter Billing

**Time**  
 Save Time in Hrs and Mins

**Timer**  
Bound Time Entries to 0.10 Hrs  
 Auto Track Time Reduction  
 Add Notes to Time Entries

**Hold Charges**  
 Allow Charges to be Held

**Accounts Payable**  
 Allow More Than 24 Inv./Chk.

**Payment and Retainer Rules**  
 Blend Tax Payments  
Apply Payments To  
Disbursements: 1st  
Fees: 2nd  
 Auto Allocate Retainers at Billing  
 Auto Allocate Payments to Invoices  
 Auto Allocate Payments to G/L Accounts  
 Allow General Retainers  
Max Amount (0=No Limit) 0.00  
 Always Transfer Overpayments to Trust

**Expense**  
 Use Quantity x Rates Entries  
 Mark Up Client Expense  
Default Markup % 0.00  
 Show Expense Gross Amounts

**Trust**  
 Allow Trust-to-General Transfer of Fee WIP  
 One Matter per Page on Client Trust List  
 Restrict Negative Trust Balance

OK Cancel Help

## Misc. Trust

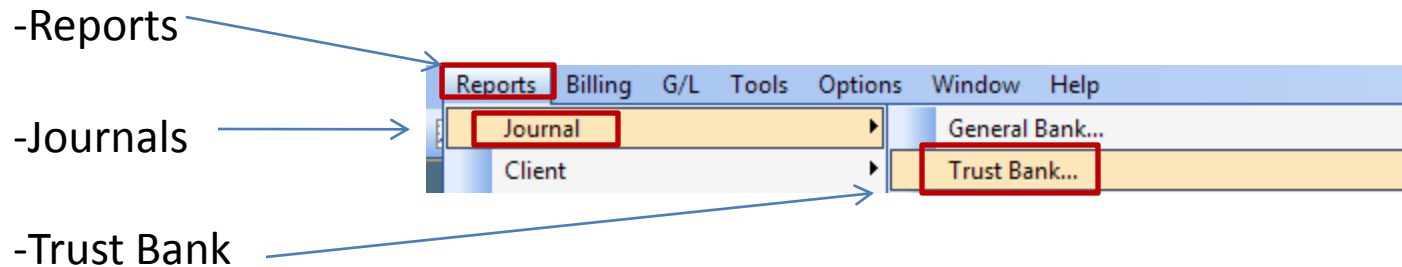
- Trust deposits taken to the bank by the next business day
- Trust shortages
  - You must notify the Law Society of any shortages over \$2500.00 even if they were immediately corrected.
  - Any amount not corrected within 7 days must also be reported.
  - Form is on the Law Society of Alberta website [www.lawsociety.ab.ca](http://www.lawsociety.ab.ca)
- All theft must be reported for both trust and general accounts
- CDIC (Canadian Deposit Insurance Corporation)
  - You must send a trust listing to each bank in which you have a trust account whether or not the bank requests a listing
  - Customize the trust listing using “Customizing layouts in reports” from the mornings session
  - Call the layout “CDIC” and only show
    - File number
    - Bank number
    - Amount in trust for that file
- Trust Receipts and Trust Cheques
  - Show why funds were received or disbursed in the explanation box
  - Be specific (trust funds received is not acceptable)

## Trust Bank Reconciliation Reports

Reports to be included with your trust bank reconciliation are:

- **Trust Bank Journal**

- Print an individual bank journal for each trust bank



Change:

• Account number

• Dates (current month)

• Layout

- Default with (pmt usr)

- Use the down arrow to select this default.

- Say yes to make this your default template

Trust Bank Journal

Common Other

Acct Che/Rec#

1 <all>

Start Date End Date

1/9/2012 30/9/2012

Sort by

Date

Entry Number

Cheque Number

Deposit Slip

Include

Receipts

Disbs.

Both

Output

Printer

Screen

E-mail

Editor

Layout

Default with (Pmt usr)

PCLaw

Do you want to make Default with (Pmt usr) your default template?

Yes No

*Note: check layout each month to ensure it has not been changed*

# Trust Bank Journal

9/Nov/2012 Training Law Firm  
Trust Bank Journal  
ALL DATES

Date	Received From/Paid To	Matter	Acc#	Che/Rec# /Clr /Btch	Allocated	
Entry #	Explanation		Client		Cheque	Receipt
User						
Pmnt Method						Entry Tot
Sep 3/2012	ABC Company Ltd.		1	00001		
10	Retainer	1003		ABC Company Ltd.		2000.00
<b>Cheque</b>						2000.00
<b>Total for 3/Sep/2012:</b>		<b>2000.00</b>				
Sep 10/2012	Jack & Sue Adams		1	00002		
19	Cash to Close	1004		Adams, Jack & Su		2396.00
<b>Bank Cheque</b>						2396.00
<b>Total for 10/Sep/2012:</b>		<b>2396.00</b>				

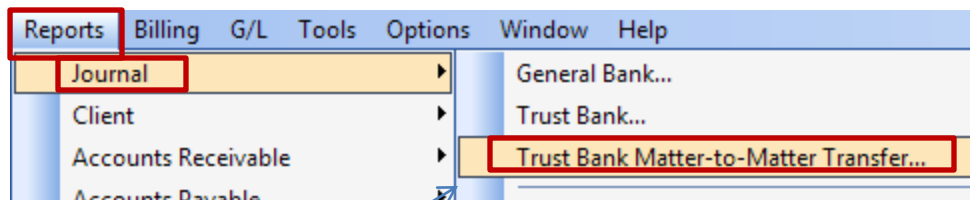
- The journal will now show how the payment was received

# •Trust Bank Matter to Matter Transfer Journal

•Reports

•Journals

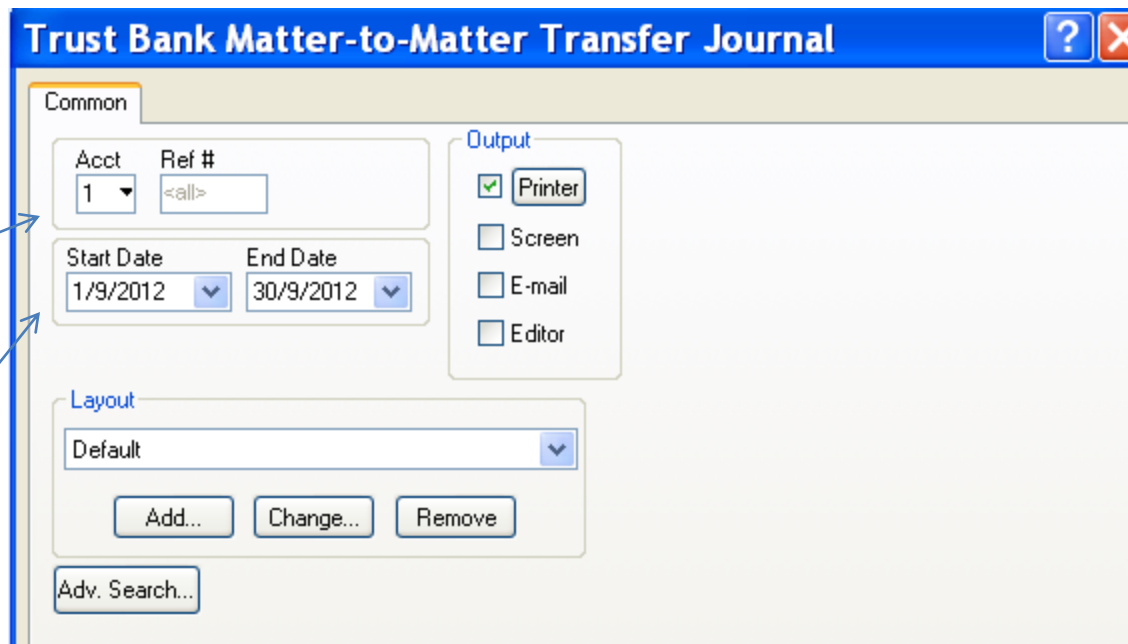
•Bank Matter to Matter transfer journal



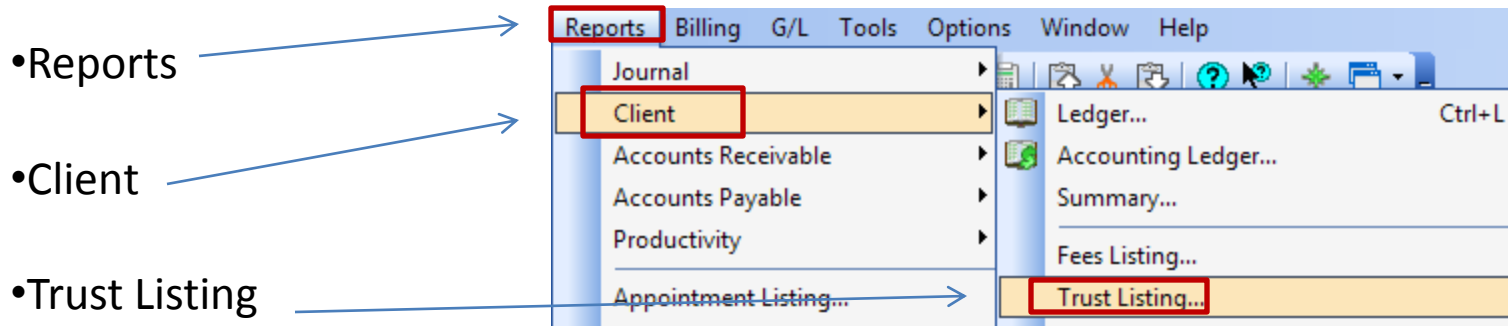
Change:

•Account number  
(may do one report for all banks)

•Dates (current month)



# •Client Trust Listing



•Reports

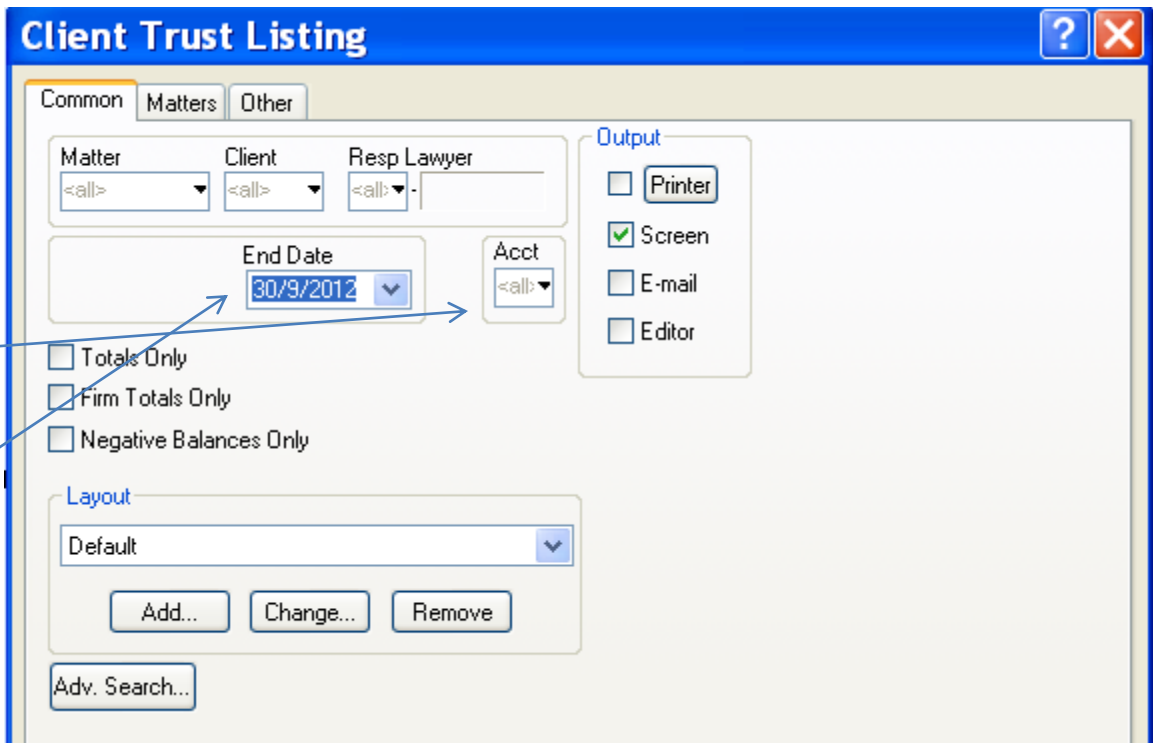
•Client

•Trust Listing

Change:

•Account number

•Date (end of month)



Print an individual trust listing for each trust bank

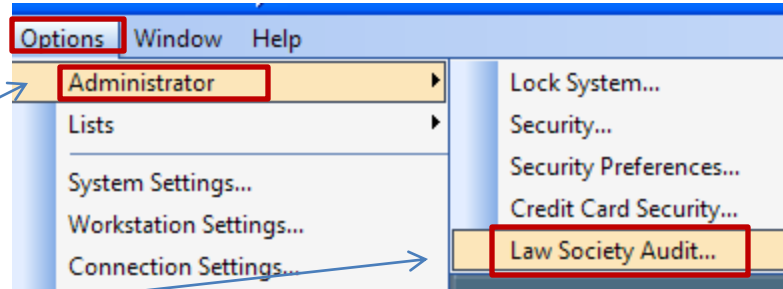


# Self Reporting at year end

To turn on self reporting in PCLaw

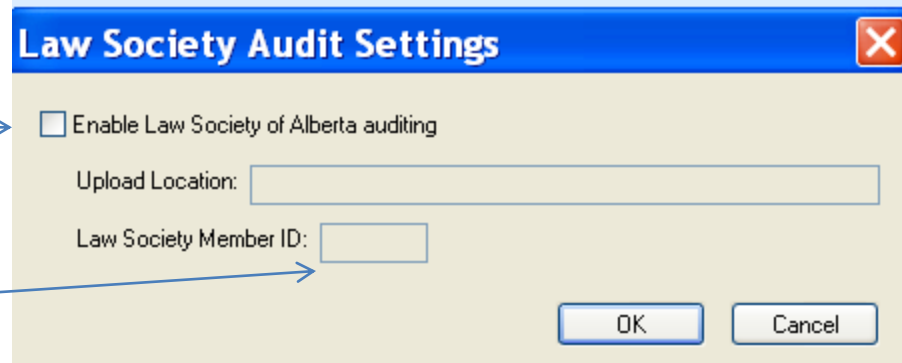
Select:

- Options
- Administrator
- Law Society Audit



Select enable Law Society of Alberta auditing

Type in responsible lawyer Law Society Member ID

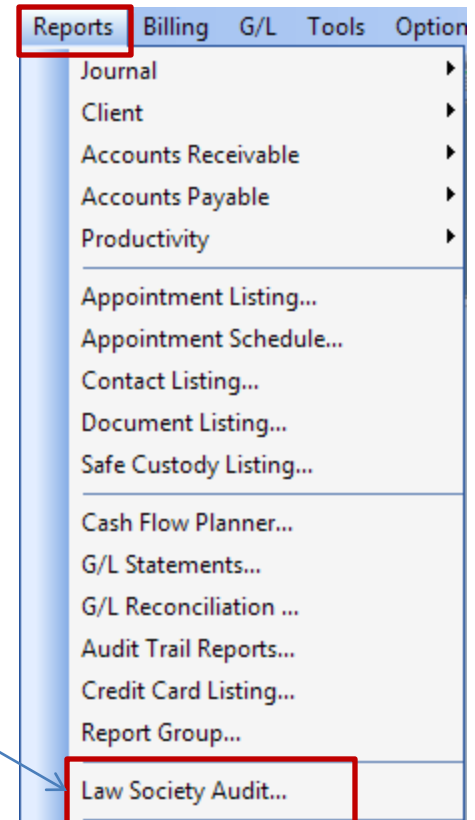


The changes will show the next time you open PCLaw.

•Once you have re-opened PCLaw you will see a Law Society Audit option

•Reports

•Law Society Audit



•Insert the month for your trust year end

•okay

•Now follow instructions as given by the Law Society

## Miscellaneous

- Trust funds to pay an invoice
  - File must be billed and funds transferred to general no later than 1 month after the work has been completed
- Cheques must be made payable to the ultimate recipient
  - Letter to authorize (direction to pay) that is signed by the client may be acceptable
- Electronic Withdrawals
  - on-line - by member only
  - Only member can know the password
  - EFT (electronic funds transfer) – letter faxed to bank with member signature
  - Form on the Law Society website must be completed
  - Requires a hard copy with relevant data – a hardcopy confirmation from the bank within 2 banking days showing date, amount, source account number, destination account number and name
- ATM cards
  - For deposit only in trust
  - Attach the deposit slip from the machine to either your deposit book or your PCLaw deposit slip' with the file name and number indicated.

- Credit / Debit Cards

- Trust money must be deposited directly to trust

- General funds can go to trust but must be transferred to the general account as soon as funds are received in the bank account

- Cardholder name, Client name and file number must be recorded on the merchant slip

- Merchant slip must be attached to the deposit slip

- Walk in client / Notarizations / ILA

- Client must receive either an invoice or receipt at time of payment or prior to payment. Include client name and method of payment on the receipt.

- An invoice must be produced in PCLaw and the payment recorded to accounts receivable (this can be done after the client pays if a receipt was given to the client)

## General Bank Reconciliation

- General bank reconciliations must be reconciled by the end of the following month (same as trust)
- General bank statement must say “General” on the statement
- Reports to be included with your general bank reconciliation are:

### •General Bank Journal

Print an individual bank journal for each general bank

- Reports
- Journals
- General Bank Journal

A screenshot of a software application's menu system. The menu bar includes 'Reports', 'Billing', 'G/L', 'Tools', 'Options', 'Window', and 'Help'. The 'Reports' menu is open, showing sub-menus: 'Journal', 'Client', and 'Accounts Receivable'. The 'Journal' sub-menu is further open, showing 'General Bank...', 'Trust Bank...', and 'Trust Bank Matter-to-Matter Transfer...'. Red boxes highlight the 'Reports' menu, the 'Journal' sub-menu, and the 'General Bank...' option. Blue arrows point from the text labels on the left to these specific menu items.

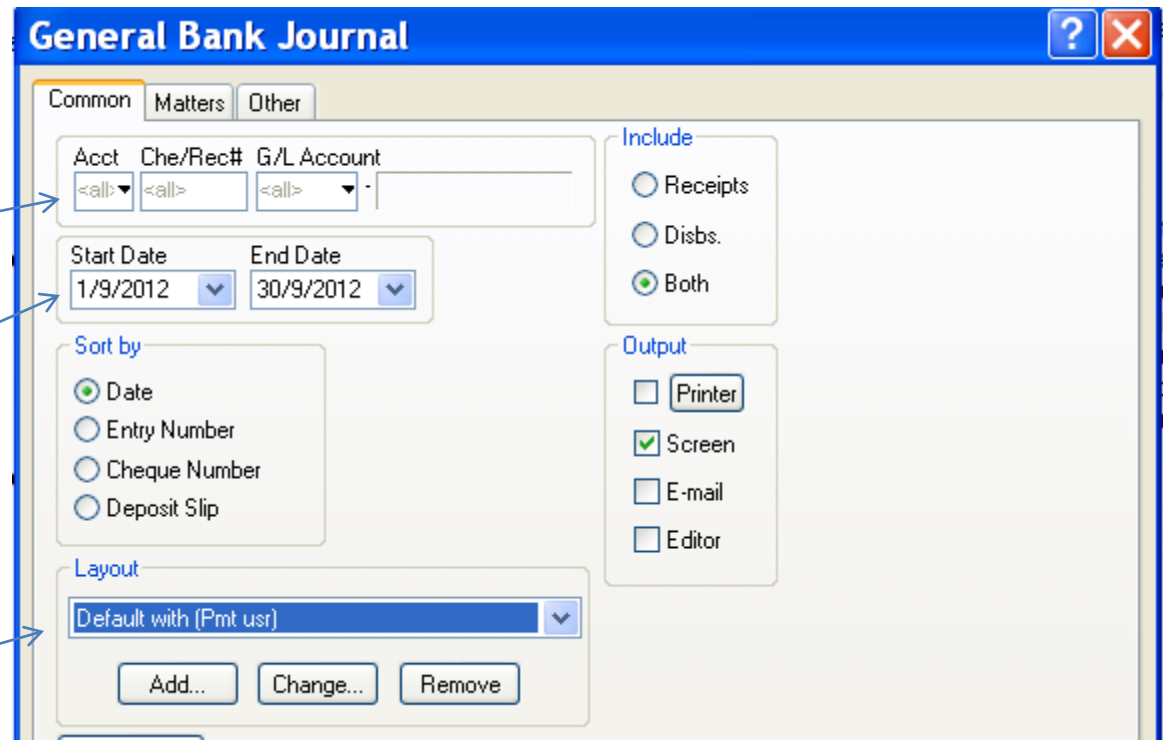
Change:

- Account number

- Dates (current month)

- Layout

  - Default with (pmt usr)



- You must print an individual bank journal for each bank if you have more than one general account

(See trust notes for instructions on changing the layout)

# •Billing / Fees Journal

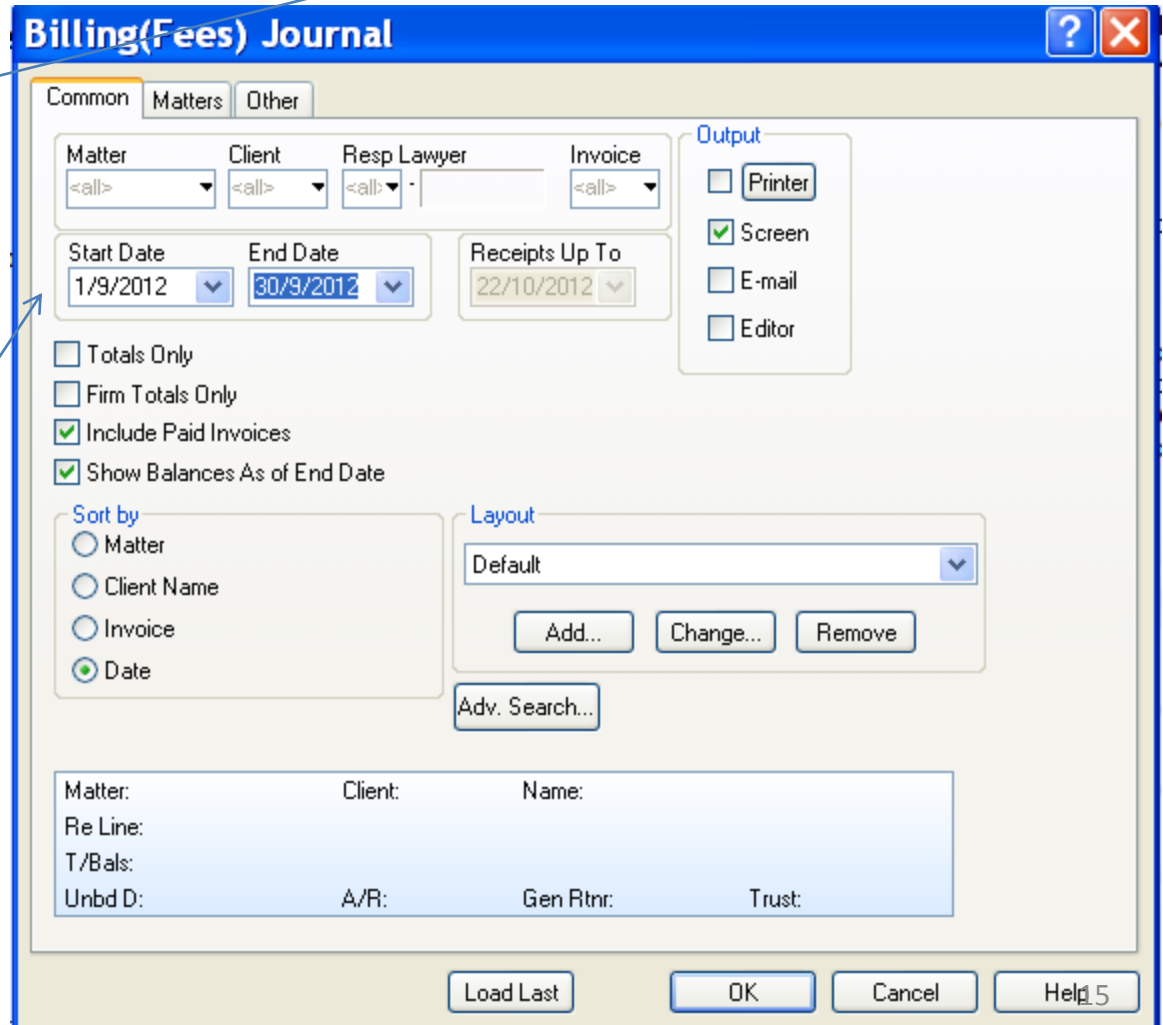
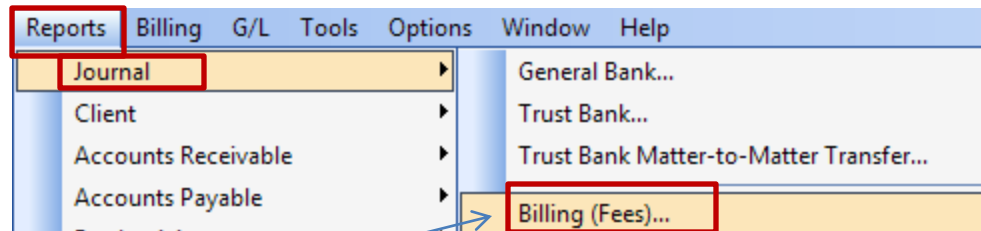
•Reports

•Journals

•Billing/Fees Journal

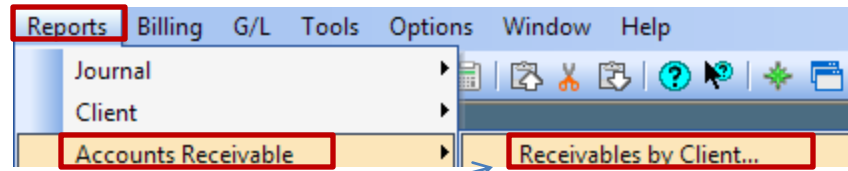
Change:

•Dates (current month)



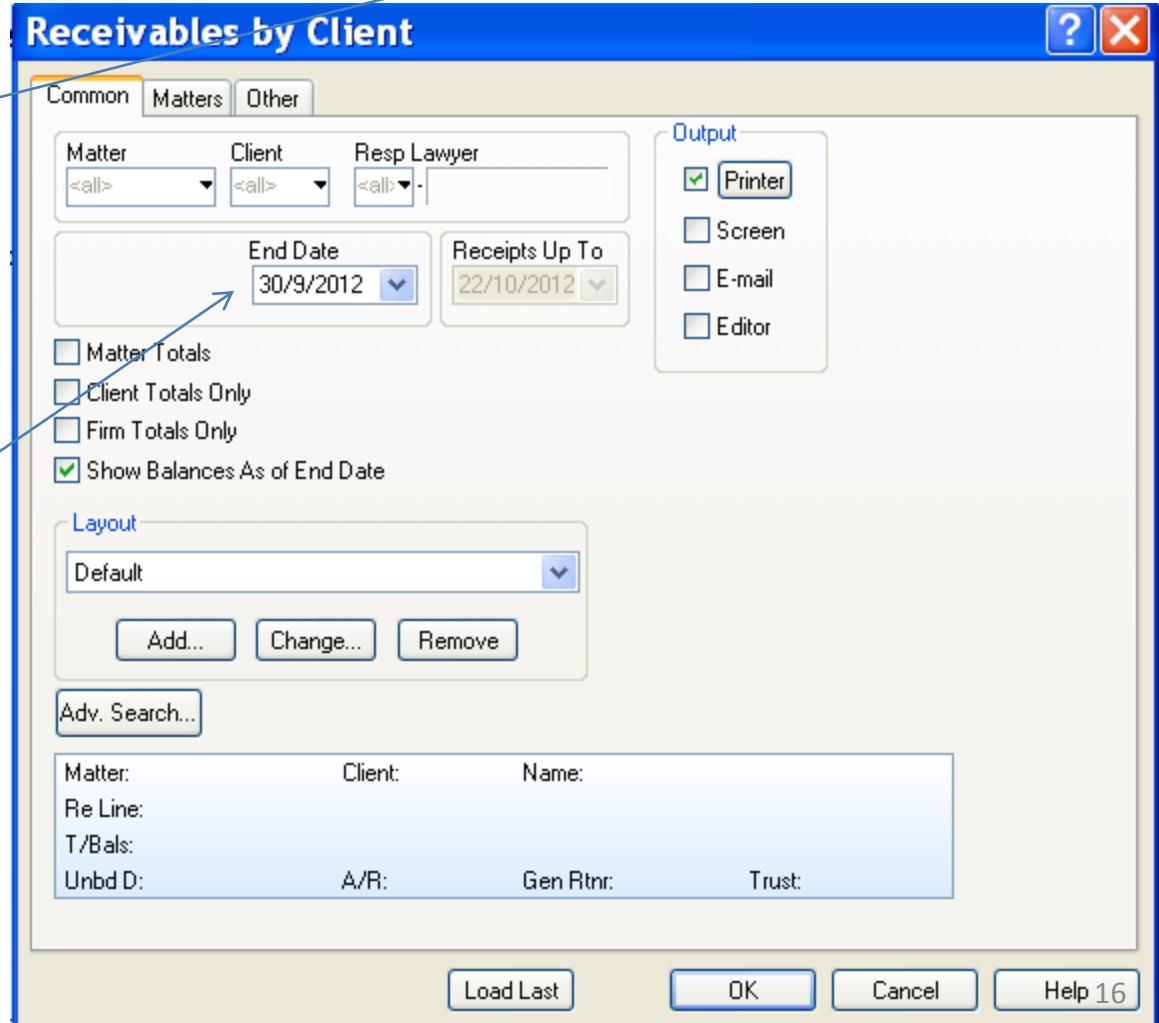
# •Receivables by Client

•Reports



•Accounts Receivable

•Receivables by Client



Change:

•Date (end of month)



## Closing Files

- Client ledger must be printed and included on the file prior to closing
- A second client ledger must be kept in a central file or binder called “Closed Ledgers”

## Backups

- There must be an offsite or electronic backup done monthly
- Your offsite backup should include PCLaw, my documents and precedents

*Note: This is the minimum. You should utilize several backup or clone options available such as the PCLaw backup, USB, CD or removable hard drive*

## Contacting the Law Society

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