

PCLaw[®] Case Study: Trust Accounting

Challenge: To maintain proper trust accounting records as prescribed by the law society.

Solution: PCLaw® client, matter, billing and accounting software from LexisNexis Canada Inc.

Why: Intuitive navigation combined with sophisticated and comprehensive trust accounting functionality earns PCLaw this bookkeeper's only legal accounting software recommendation.

Trust accounting that goes the distance

In today's competitive environment, running a profitable law practice can be a challenge. To succeed, lawyers who are sole practitioners or who work in small firms are forced to wear many hats. In addition to keeping up with developments in their area of legal expertise, they also have to juggle the responsibilities of running a law firm, from marketing and human resources, to office management and accounting.

Understanding – and attempting to meet – the trust accounting requirements imposed by provincial regulators, such as the Law Society of Upper Canada or the Law Society of Alberta, can be particularly demanding. Some lawyers choose to take on the task themselves, while others seek the assistance of professional bookkeepers. In either case, according to Clyde McDonald, principal at Muskoka Legal Bookkeeping Services, investing in a robust legal accounting software program is invaluable.

"Lawyers who have a trust account definitely need a legal accounting program," explains McDonald, a bookkeeper with more than 30 years' experience who's been serving the southern Ontario legal community exclusively for the past seven years. *"It's the best way to work towards meeting the law society's rules and regulations – especially if the software includes sophisticated reporting functions."*

His recommendation?

“ Without a doubt, PCLaw from LexisNexis. It's the only legal accounting software program I recommend. ”

Cost-effective functionality

McDonald is a long-time proponent of PCLaw and the many features that make it an essential addition to any law firm with a trust account.

"The way PCLaw is set up makes trust accounting incredibly straightforward and intuitive," he says. *"The reporting functions make it easy to address local law society requirements and the ability to navigate directly between different windows means I can drill down and quickly locate where errors were made, if necessary. It also means that entries can be made on the fly. The system has clearly been developed to be as efficient and effective as possible – saving lawyers both time and money."*

PCLaw offers a full range of trust accounting tools, enabling lawyers and their bookkeepers to maintain complete and accurate records that will not only fulfill the requirements of provincial regulators, but also stand up to closer inspection in the event of an audit.

According to McDonald, the following built-in features of PCLaw will be vital to any law firm with a trust account:

- **Billing:** Manage the entire billing process, from entering disbursements and receipts to automatically paying invoices from the trust account.
- **Transfers:** A variety of transfer commands is available, including Trust to General Transfer to pay outstanding receivables and Matter to Matter Transfer to move funds between client files as necessary. The one-entry approach minimizes the possibility of errors.
- **Bank reconciliations:** The reconciliation tool allows entries to be sorted in a number of different ways, depending on the user's need. Reconciliation reports are dated, which is handy in the event of a law society audit.
- **Settings:** In accordance with law society regulations, the system settings function can be used to ensure the trust account is never overdrawn.
 - These trust accounting functions work in conjunction with PCLaw general accounting features, giving lawyers what McDonald refers to as the "whole package" – meaning there's no need to export data to any other accounting program. For example, in PCLaw, a trust transfer automatically records a general deposit. This interaction between the different accounting functions streamlines the production of income statements and balance sheets at year-end – all of which makes it easier to stay within a law society's bookkeeping guidelines.

"One of my main goals is to help my clients' accounting records meet the requirements of the local law society's rules," continues McDonald. "The reports that PCLaw can generate will itemize everything from general retainers to unbilled negative disbursements, which makes it easier to catch inadvertent mistakes that could land lawyers in hot water."

"PCLaw is definitely a worthwhile investment. Its intuitive interface, on-the-fly capabilities and efficient flow will save lawyers a great deal of time – and money – over the long run."

In addition to trust accounting, PCLaw includes a broad spectrum of tools and functionality to ensure your practice runs as smoothly, efficiently and productively as possible, including:

- Case & Matter Management
- Accounting & Productivity Reporting
- Billing & Accounting
- Document Management
- Calendaring & Contact Management
- Time & Expense Entry
- 24/7 Remote and Mobile Connectivity

Learn more at lexisnexis.ca/pclaw



The opinions expressed within this case study represent customer opinions. LexisNexis believes this case study experience generally represents the experience found with other similar customer situations. However, each customer will have its own subjective goals and requirements and will subscribe to different combinations of LexisNexis services to suit those specific goals and requirements. This case study may not be deemed to create any warranty or representation that any other customer's experience will be the same as the experience identified herein. LexisNexis uses the customer's trademarks herein with the customer's permission.

LexisNexis and the Knowledge Burst logo are registered trademarks of Reed Elsevier Properties Inc., used under licence. PCLaw is a registered trademark of LexisNexis Practice Management Systems Inc. Other products or services may be trademarks, registered trademarks or service marks of their respective companies. © 2013 LexisNexis Canada Inc. All rights reserved. **PCL-CASE(Trust)-05/13**