

1.1 App. B: Required Records...

This appendix is **optional reading**, in that you are not expected to read this material to complete the test for this module.

The following accounting records are mandated under the Law Society Rules:

Law Society Rule	Record Name	Description	
Rule 3-60(a)	Trust Accounts Cash Records <ul style="list-style-type: none"> Trust Receipts Record 	A lawyer must maintain a book of original entry or data source showing all trust transactions, including the date of receipt, source and form of all trust money received and identifying the client to whom the money belongs or on whose behalf the money is received.	
	<ul style="list-style-type: none"> Trust Disbursements Record 	A lawyer must maintain a book of original entry showing all withdrawals of trust money and showing the cheque number, the date of the withdrawal, the name of the payee and identification of the client with respect to whose affairs the withdrawal is made (combined with Trust Receipts Journal, together referred to as the Trust Account Records).	
Rule 3-60(b)	Trust Ledger or System	<p>A lawyer must maintain a trust ledger consisting of trust ledger accounts, one for each client from whom the law firm has received trust money or on whose behalf or at whose direction or order the law firm has received trust money, with each trust ledger account showing:</p> <ul style="list-style-type: none"> the name of the client; all receipts and withdrawals, in chronological order with the dates of receipt and withdrawal and indicating the source of the money or the person to whom the payment was made, as the case may be; and the unexpended balance in the account. 	
Rule 3-60(c)	Trust Transfer Records	<p>A lawyer must maintain trust account records:</p> <ul style="list-style-type: none"> showing each transfer of funds between clients' trust ledgers, including the name and number of both the source file and the destination file; containing an explanation of the purpose for which each transfer is made; and containing the lawyer's written approval of the transfer. 	

Rule 3-60(g)	Trust Valuables Record	A lawyer must maintain a current listing of all valuables held in trust for each client.	
Rule 3-61(1)(a)	General Account Cash Records <ul style="list-style-type: none"> • General Receipts Record 	A lawyer must maintain a book of original entry or data source showing the amount, date of receipt and the source of all general funds received.	
	<ul style="list-style-type: none"> • General Disbursements Record 	A lawyer must maintain a book of original entry or data source showing the cheque or voucher number, the amount, date and the name of each recipient of each disbursement (combined with General Receipts Record, together referred to as the General Cash Record.)	
Rule 3-61(1)(b)	Client Accounts Receivable Ledger	A lawyer must maintain an accounts receivable ledger or other suitable system to record, for each client, showing all transactions including: <ul style="list-style-type: none"> • transfers from a trust account; • other receipts from or on behalf of the client; and • the balance owed by the client. 	
Rule 3-62(1)	Billing Records	A lawyer must keep file copies of all bills delivered to clients or persons charged: <ul style="list-style-type: none"> • showing the amounts and the dates charges are made; • identifying the client or persons charged; and • filed in chronological, alphabetical or numerical order. 	
Rule 3-59(4)	Supporting Documents <ul style="list-style-type: none"> • Trust and General 	A lawyer must retain all supporting documents for both trust and general accounts, including but not limited to the following: <ul style="list-style-type: none"> • validated deposit receipts; • periodic bank statements; • passbooks; • cancelled and voided cheques*; • bank vouchers and similar documents and invoices. <p>*Note that the following are acceptable electronic forms for cancelled cheques:</p> <ol style="list-style-type: none"> 1. A CD-Rom of the cheque images, including the front and back of each cheque, provided by the bank to the lawyer on a monthly basis with the monthly bank statement; 2. Scanned paper copies of the cheques, including the front and back of each cheque, with the monthly bank statement; 3. pdf copies of the cheques, including the front and back of each cheque, stored on the law firm's server or on a disk in the law firm's possession. 	

<p>Rule 3-60(d) and 3-65</p>	<p>Trust Reconciliations</p>	<p>A lawyer must prepare a monthly trust reconciliation of the total of all unexpended balances of funds held in trust for clients as they appear in the trust ledgers, with the total of balances held in trust bank accounts, together with reasons for any differences between the totals. The monthly trust reconciliation must be supported by:</p> <ul style="list-style-type: none"> • a detailed monthly listing showing the unexpended balance of trust funds held for each client, and identifying each client for whom trust funds are held; • a detailed monthly bank reconciliation for each pooled trust account; • a listing of balances of each separate trust account or savings, deposit, investment or similar form of account, identifying the client for whom each is held; • a listing of balances of all other trust funds received pursuant to Rule 3-51(3); and • a listing of valuables received and delivered and the undelivered portion of valuables held for each client. 	
<p>Rule 3-61.1</p>	<p>Record of Cash Transactions</p> <ul style="list-style-type: none"> • Cash Receipt book of duplicate receipts 	<p>A lawyer who receives cash for a client (that is not the lawyer's employer) must maintain a cash receipt book of duplicate receipts and it must be signed by the lawyer (or an individual authorized by the lawyer) and the person from whom the cash is received. Each receipt in the cash receipt book of duplicate receipts must identify:</p> <ul style="list-style-type: none"> • the date on which cash is received; • the person from whom cash is received; • the amount received; • the client for whom cash is received; and • the number of the file in respect of which cash is received. 	
	<ul style="list-style-type: none"> • Cash Withdrawal Record 	<p>Cash withdrawals are only permitted under very limited circumstances. A lawyer who withdraws funds in cash from a trust account must make a record of the transaction signed by the person to whom the cash was paid and identifying:</p> <ul style="list-style-type: none"> • the date the cash was withdrawn; • the amount withdrawn; • the name of the client in respect of whom the cash was withdrawn; • the number of the file in respect of which the cash was withdrawn; and • the name of the person to whom the cash was paid. 	

Credits: The material in this appendix is adapted from the *PLTC Practice Material*, reviewed and revised by Don Terrillon, Controller Finance, LSBC, originally prepared by Nadine Siemens and Jerome Malysch formerly of the LSBC.