

Trust Accounting Glossary

Term	Content	Responsible	Timing
Start-up Report	<p>An accounting report completed by the accountant.</p> <p>The intent is for the accounting firm to review the first two trust reconciliations to ensure that the law firm is properly accounting for the client trust monies.</p>	<ul style="list-style-type: none"> Accountant performs the procedures per instructions on the report Signed by the partner of the accounting firm Filed by the Responsible Lawyer 	Within four months of approval to operate trust account.
Self Report	<p>An annual four part form.</p> <p>Parts A and B are completed by all law firms, with or without a trust account. Part C is completed by all law firms with a trust account. Part D is completed by all law firms with a trust account and that do not upload their accounting data to the Law Society of Alberta.</p>	Filed by the Responsible Lawyer.	Within three months of the year end i.e. by March 31.
Trust Accounting Upload	The extract of the law firm's trust account(s) data from the approved accounting software and submitted to the Law Society of Alberta through a secure portal.	Responsible Lawyer of the law firm needs to ensure this is completed.	Within three months of the year end i.e. by March 31.
Accountant's Report	<p>The law firm's annual report completed by the accountant in case the law firm does not upload trust accounting data to the Law Society of Alberta.</p> <p>Must be completed for each fiscal year (the "Reporting Period") of the Law Firm.</p>	<ul style="list-style-type: none"> Completed by the Accountant Filed by the Responsible Lawyer 	Within three months of the year end i.e. by March 31.
Monthly Report	Print all trust records, with the exception of client trust ledger cards and the accounts receivable ledger cards provided they can be printed upon demand, and update the electronic backup of all accounting records. Printing can be either hard copies or saved as PDFs.	Responsible Lawyer needs to ensure this is completed on a monthly basis.	At the end of each month.

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Monthly Reconciliation	<p>Reconciliations of a law firm's trust and general bank account(s) must be prepared within one month of the end of each month and must include trust bank reconciliation(s) and a detailed client trust listing(s) which are in agreement.</p> <p>It is a recommended practice for a lawyer to manually sign and date the reconciliation, signifying it has been reviewed to ensure that trust assets equal trust liabilities.</p> <p>Separate interest-bearing trust accounts (SIBA) must be included on the reconciliation.</p> <p>Trust / General reconciliations must be prepared even when the bank account has a zero balance or has not changed from the prior month.</p>	Responsible Lawyer needs to ensure this is completed on a monthly basis.	Monthly
CDIC Filing Report	<p>Canadian Deposit Insurance Corporation (CDIC) coverage is financial insurance which provides protection in the event of the financial institution failing, up to a value of \$100,000 for each client listed in a pooled trust account and up to a value of \$100,000 for each separate interest-bearing trust account.</p> <p>Not all financial institutions are insured by CDIC. Notable exceptions in Alberta are the Alberta Treasury Branch and all credit unions. Deposits with these institutions are 100 per cent guaranteed, either directly or indirectly, by the Province of Alberta.</p> <p>By May 31 of each year, law firms with financial institutions having CDIC coverage must send their branch a letter detailing the balance of trust listings as of April 30 to demonstrate that the operating trust account is a pooled account. To protect solicitor-client privilege, only file numbers (not client names) are to be included on these trust listings. Law firms must file even if their trust account is less than \$100,000 as at April 30.</p>	Responsible Lawyer needs to ensure that this is completed.	May 30 of each year.