

SMITH & JONES LAW OFFICE**Trust Journal
Entry Descriptions****Line #1 - Balance Forward - \$135,600.00**

This amount is carried forward from the "Pooled Trust - Balance" column at the end of December 31, 2004. This amount is also the same as the balance on the bank reconciliation @ December 31, 2004. This amount is entered as a debit to bank and also entered in the "Pooled Trust Balance" column.

Line #2 - John Roberts - \$19,400.00

Entry to record receipt #1245 for \$19,400.00 received from John Roberts re file #123.

Line #3 - Dawn Davies - \$18,500.00

Entry to record cheque #C0102 for \$18,500.00 to Dawn Davies re file #123.

Line #4 - Bank of Montreal - \$100,000.00

Entry to record cheque #C0103 for \$100,000.00 to Bank of Montreal to establish a Separate Interest Bearing Account (SIBA) for Cam Carlson. It should be noted that these funds would have been included as part of the \$135,600.00 carry forward amount. The \$100,000.00 amount is also entered in the SIBA column with a corresponding identifier of "Cam Carlson #110".

Line #5 - Glen Wilson - \$40,000.00

This entry records receipt #1246 for \$40,000.00 from Glen Wilson re file #145.

Line #6 - Revenue Canada - \$36,000.00

Entry to record cheque #C0104 to Revenue Canada relating to file #145.

Line #7 - Smith & Jones Law - \$1,140.00

This cheque was written to Smith & Jones for \$1,140.00 in payment of invoice #0107 pertaining to file #145.

Line #8 - Ron Wallace - \$75,000.00

This entry records receipt #1247 from Ron Wallace in regard to file #150.

Line #9 - CIBC - \$125,000.00

This entry shows money coming in from CIBC per receipt #1248 pertaining to file #150.

Line #10 - Bank of Montreal - SIBA - \$190,000.00

Monies received relating to file #150 are invested in a SIBA. The \$190,000.00 amount invested is also entered in the SIBA column with the description of Ron Wallace #150. It should be noted that \$200,000.00 was received into the pooled trust account relating to Ron Wallace file #150 with only \$190,000.00 being invested in the SIBA. There is therefore \$10,000.00 remaining in the pooled trust account pertaining to file #150 that is conveniently available to meet upcoming requirements.

Line #11 - Bank of Montreal - SIBA - \$500.00

This entry is made based on information received from the bank indicating that \$500.00 was paid into the SIBA of Cam Carlson as interest on January 31, 2005. In reality, this may be identified on the bank statement or by a bank inquiry but may not be entered until the following month due to the timing of receipt of information. It should also be noted that since this amount was added directly to the SIBA balance, a receipt is not prepared by the law firm.

Line #12 - Bank of Montreal - Close SIBA account - \$100,500.00

This entry records the closing of the SIBA for Cam Carlson on January 31, 2005. It should be noted that cheques are not allowed to be written on a SIBA and therefore funds must be transferred to the pooled trust account based on instructions from the lawyer.

Line #13 - Interest - SIBA - \$450.00

This entry records interest of \$450.00 credited to the SIBA for Ron Wallace. In reality, this entry may not be made until the following month when statements are received from the bank.

Line #14 - Smith & Jones Law - \$2,140.00

This entry records cheque #C0107 to Smith & Jones Law Office for services rendered as described on invoice #0108.

If a general ledger is used (recommended), the total of each column must be entered (posted) to accounts set up by category (i.e. totals from trust bank columns to the trust bank account; total from SIBA to SIBA account, etc.). **Note:** If a general ledger is used, carry forward amounts in the daily journal must be subtracted before posting column totals to the general ledger.