

Trust Reconciliation Checklist

1. Bank Statements Balance

1.1 Verify the pooled trust bank statement.

If the statement contains debit memos or other unauthorized withdrawals from trust, arrange for bank to reverse them immediately and document the problem and the steps taken to correct it. If this has resulted in a trust shortfall greater than \$100.00, the Executive Director of the Law Society must be advised in writing.

- ▶ Check amounts on cashed cheques to amounts on the bank statement and the amounts recorded in the bank column in the daily trust journal and track down any discrepancies.
- ▶ Check the deposit amounts shown on the statement against the deposit slips and track down any discrepancies.

1.2 Enter the ending bank statement balance on the front of the Trust Reconciliation Form (“TRF”).

1.3 Enter any uncleared (outstanding) cheques and unprocessed (outstanding) deposits on the TRF and total as required.

1.4 Calculate the Adjusted Pooled Trust Account Statement Balance.

1.5 Enter the month-end balances of all separate interest-bearing trust accounts, as shown on passbooks, bank statements, etc. including interest received since the last month end.

1.6 Calculate the Bank Statement Balance.

2. Trust Receipts and Disbursements Journal

2.1 Enter the last month’s closing balance, the total cheques written in the month and the total deposits made in the month as shown on the Trust Receipts and Disbursements Journal on the Trust Reconciliation Form (TRF).

Check that the month-end running balance shown on the Trust Receipts and Disbursements Journal and the cheque stubs matches the Trust Journal Balance on the TRF. Correct if required.

3. Trust Listing

3.1 List the file number, client name and matter, pooled trust balance and separate interest-bearing trust account balance for each trust ledger on which there is a balance, total and record the total on the TRF.

- ▶ Check that all 3 totals on the TRF are the same. If not, the difference must be identified and corrected.

When all numbers in the double-lines on Page 1 of the TRF match, sign and date the form. Keep your trust reconciliation forms in a binder or folder in chronological order, together with the bank statements, cheques and any other supporting information.