



TO: Law Society of Saskatchewan MEMBERSHIP
FROM: JOHN ALLEN, C.A.
RE: IMPLEMENTATION – RULE 909, CASH TRANSACTIONS

The following information is provided to clarify requirements and answer questions that may arise when implementing Rule 909, developed by the Federation of Law Societies of Canada and passed by the Law Society of Saskatchewan in June 2005.

RULE 909(1): A member shall not receive or accept from a person, cash in an aggregate amount of \$7,500.00 or more Canadian dollars in respect of any one client matter or transaction.

This “aggregate amount of \$7,500.00” pertains to cash received over the life of the file effective from the date that members were advised of the requirement.

RULE 909(4) Despite paragraph 3, paragraph 1 does not apply when the member receives cash
(d) in an amount of \$7,500.00 or more for professional fees, disbursements, expenses or bail, provided that any refund out of such receipts is also made in cash.

Since refunds or partial refunds of monies originally received in cash must be made in cash, the question arises as to how this cash is to be withdrawn from trust. The procedure to meet this requirement will be for the firm to prepare a trust cheque payable to the member or employee who takes it to the bank. The explanation portion of the cheque and the cheque register must show the client name or client reference. The member/employee endorses the cheque and obtains the specific amount of cash required. When the cash is given to the client, the client must sign a receipt or acknowledgement that the monies were received. That receipt or acknowledgement is also required to be signed and dated by the lawyer or employee providing the cash to the client.

RULE 909(5) Every member, in addition to existing financial recordkeeping requirements to record all money and other property received and disbursed in connection with the member's practice, shall maintain:

- (a) a book of original entry identifying the method by which money is received in trust for a client, and
- (b) a book of original entry showing the method by which money, other than money received in trust for a client, is received.

Members are required to record the form (i.e. cash, cheque, etc.) in which all monies (trust and general) are received by the firm. This can be done by adding a column to the book of the original entry where this information can be recorded.

In certain computer systems, the firm may be unable to dedicate a specific column for this function and, in those cases, the required information can be shown in the description section of the book of original entry. For example:

John Doe (cash)	\$ 500.00
Sam Smith (cheque)	\$1,000.00

RULE 909(6) Every member who receives cash for a client shall maintain, in addition to existing financial recordkeeping requirements, a book of duplicate receipts, with each receipt identifying the date on which cash is received, the person from whom the cash is received, the amount of cash received, the client for whom the cash is received, any file number in respect of which cash is received and containing the signature authorized by the member who receives cash and of the person from whom cash is received.

A separate pre-numbered receipt book should be used but in systems where computerized receipts are produced, those receipts are considered acceptable if they incorporate all information and are signed as required by the Rule. These receipts must be filed in numerical order "like a book".

If monies are received outside of the office (i.e. at Court), the member may find it necessary to carry a receipt book with himself/herself to facilitate this Rule.

[A copy of Rule 909](#), in its entirety, has been attached for your convenience. If any further information or clarification is required, please contact me.

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Auditor/Inspector, Law Society of Saskatchewan
 JA/mlg

Encl.