



CLIENT TRUST FUNDS

Client funds are required to be kept separate from the firm operating account(s).

It is highly advisable that you or anyone handling trust funds make yourself familiar with these regulations and confirm that everyone in the office is complying with these procedures.

A summary of the duties include:

- Do not commingle firm funds with client funds; keep client funds separate and apart in a trust account
- Maintain accurate and complete records of all trust transactions
- Promptly notify clients of activity and pay client funds they are entitled to
- Reconcile accounts regularly (recommended 3-way reconciliation monthly)

IOLTA PROGRAMS

IOLTA stands for Interest on Lawyers Trust Accounts – this is a program founded in the 1980's for the purpose of raising money for charitable purposes (primarily providing legal services to indigent persons). Often, the amount of money that a lawyer handles for a single client and deposits to the trust bank account is quite small or held for only a short period of time. It cannot earn interest for the client in excess of the costs incurred to collect that interest. Banks instead forward the interest earned on these accounts to the state IOLTA program, which uses the money to fund a variety of charitable causes.

In 2013, state IOLTA programs generated more than \$151.8 million nationwide. These funds, together with state and federal appropriations as well as private grants and donations, enable many non-profit legal aid providers to help low-income people with civil legal matters such as landlord/tenant issues, child custody disputes and advocacy for those with disabilities.