

## OLR GUIDELINES FOR TRUST ACCOUNT RECORDS

**SCR 20:1.15(g)(1)** states: A lawyer shall maintain and preserve complete records of trust account funds, all deposits and disbursements, and other trust property and shall preserve those records for at least 6 years after the date of termination of the representation. Electronic records shall be backed up by an appropriate storage device. The office of lawyer regulation shall publish guidelines for trust account recordkeeping.



**Pursuant to SCR 20:1.15(g)(1), the Office of Lawyer Regulation publishes the following guidelines for trust account recordkeeping:**

(1) **Draft accounts.** Complete records of a trust account that is a draft account should include a transaction register; individual client ledgers for IOLTA accounts and other pooled trust accounts; a ledger for account fees and charges, if law firm funds are held in the account pursuant to SCR 20:1.15(b)(3); deposit records; disbursement records; monthly statements; and reconciliation reports, as follows:

(a) **Transaction register.** The transaction register should contain a chronological record of all account transactions, whether by check, wire transfer, electronic transfer, or other means, and include all of the following:

1. the date, source, and amount of all deposits;
2. the date, check or transaction number, payee and amount of all disbursements;
3. the date and amount of every other deposit or deduction of whatever nature;
4. the identity of the client for whom funds were deposited or disbursed; and
5. the balance in the account after each transaction.

(b) **Individual client ledgers.** A subsidiary ledger should be maintained for each client or 3rd party for whom the lawyer receives trust funds that are deposited in an IOLTA account or any other pooled trust account. The lawyer should record each receipt and disbursement of a client's or 3rd party's funds and the balance following each transaction. A lawyer who disburses funds from an IOLTA account or any pooled trust account that would create a negative balance with respect to any individual client or matter may be determined to have failed to hold client or third party property in trust, in violation of SCR 20:1.15(b)(1).

(c) **Ledger for account fees and charges.** A subsidiary maintenance account ledger should be maintained for funds of the lawyer deposited in the trust account to accommodate monthly service charges. Each deposit and expenditure of the lawyer's funds in the account and the balance following each transaction should be identified in the ledger.

(d) **Deposit records.** Deposit records should identify the name of the lawyer or law firm, the name of the account, the amount of each deposit item, the client or matter associated with each deposit item, and the date of the deposit.

1. A copy or duplicate of each deposit slip should be maintained by the lawyer.

2. Each deposit of wired funds should be documented in a monthly statement of the account that indicates the date of deposit, the source, and the amount.

3. Each electronic deposit, including a remote deposit, should be documented by an image of the deposit item.

(e) **Disbursement records.**

1. **Checks.** Checks should be pre-printed and pre-numbered. The name and address of the lawyer or law firm, and the name of the account should be printed in the upper left corner of the check. Each check disbursed from the trust account should identify the client matter and the reason for the disbursement on the memo line.

2. **Canceled checks.** Canceled checks should be obtained from the financial institution. Imaged checks may be substituted for canceled checks.

3. **Imaged checks.** Imaged checks should provide both the front and reverse of the check. The information contained on the reverse side of imaged checks should include any endorsement signatures or stamps, account numbers, and transaction dates that appear on the original. Imaged checks should be of sufficient size to be readable without magnification and as close as possible to the size of the original check.

4. **Wire transfers.** Wire transfers should be documented by a written withdrawal authorization or other documentation, such as a monthly statement of the account that indicates the date of the transfer, the payee, and the amount.

5. **Electronic transfers.** Electronic transfers should be documented in a monthly statement of the account, and by a record of the transfer that is maintained by the lawyer or law firm, which includes the following: the payee, amount, date, client or matter, purpose, the lawyer authorizing the transfer, and the person or persons performing the transfer.

(f) **Monthly statement.** The monthly statement provided to the lawyer or law firm by the financial institution should identify the name and address of the lawyer or law firm and the name of the account.

(g) **Reconciliation reports.** A printed reconciliation report for each trust account should be prepared and retained on a regular and periodic basis not less frequently than every 30 days. Each reconciliation report should show all of the following balances and verify that they are identical:

1. the balance that appears in the transaction register as of the reporting date;

2. the total of all subsidiary ledger balances for IOLTA accounts and other pooled trust accounts, determined by listing and totaling the balances in the individual client ledgers and the ledger for account fees and charges, as of the reporting date; and

3. the adjusted balance, determined by adding outstanding deposits and other credits to the balance in the financial institution's monthly statement and subtracting outstanding checks and other deductions from the balance in the monthly statement.

2. **Non-draft accounts.** Complete records of a trust account that is a non-draft account should include all of the following:

(a) all monthly or other periodic statements provided by the financial institution to the lawyer or law firm; and

(b) all transaction records, including passbooks, records of wired funds and electronic transactions, duplicates of any instrument issued by the financial institution from funds held in the account, duplicate deposit slips or records of remote deposits identifying the source of any deposit, and duplicate withdrawal slips identifying the purpose of any withdrawal.

3. **Tangible trust property and bearer securities.**

(a) **Property ledger.** A lawyer who receives, in trust, tangible personal property or securities in bearer form should maintain a property ledger that identifies the property, date of receipt, owner, client or matter, and location of the property. The ledger should also identify the disposition of all of the trust property received by the lawyer.

(b) **Receipt upon taking custody.** Upon taking custody, in trust, of any tangible personal property or securities in bearer form, the lawyer should provide to the previous custodian a signed receipt, with a description of the property and the date of receipt.

(c) **Dispositional receipt.** Upon disposition of any tangible personal property or securities in bearer form held in trust, the lawyer should obtain a signed receipt, with a description of the property and the date of disposition, from the recipient.

4. **Electronic record retention.**

(a) **Back-up of records.** A lawyer who maintains trust account records by computer should maintain the transaction register, client ledgers, and reconciliation reports in a form that can be reproduced to printed hard copy.

(b) **IOLTA account records.** In addition to the guidelines in sub. (4)a., the transaction register, the subsidiary ledger, and the reconciliation report should be printed every 30 days for an IOLTA account. The printed copy should be retained for at least 6 years.

## OLR GUIDELINES FOR FIDUCIARY ACCOUNT RECORDS

**SCR 20:1.15(k)(7)** states: A lawyer shall maintain and preserve complete records of fiduciary account funds, all deposits and disbursements, and other fiduciary property and shall preserve those records for the 6 most recent years during which the lawyer served as a fiduciary and shall preserve at a minimum, a summary accounting of all fiduciary funds and property for prior years during which the lawyer served as a fiduciary. After the termination of the fiduciary relationship, the lawyer shall preserve the records required by this paragraph for at least 6 years. The office of lawyer regulation shall publish guidelines for fiduciary account recordkeeping.



**Pursuant to SCR 20:1.15(k)(7), the Office of Lawyer Regulation publishes the following guidelines for fiduciary account recordkeeping:**

1. **Records.** For each fiduciary account, a lawyer should retain records of receipts and disbursements as necessary to document the transactions. The lawyer should maintain all of the following:

(a) all monthly or other periodic statements provided by the financial institution to the lawyer or law firm; and

(b) all transaction records, including canceled or imaged checks, passbooks, records of wired funds and electronic transactions, including remote deposits, duplicates of any instrument issued by the financial institution from funds held in the account, duplicate deposit slips identifying the source of any deposit, and duplicate withdrawal slips identifying the purpose of any withdrawal.

2. **Tangible fiduciary property and bearer securities.**

(a) **Property ledger.** A lawyer who, as a fiduciary, receives tangible personal property or securities in bearer form should maintain a property ledger that identifies the property, date of receipt, owner, and location of the property. The ledger should also identify the disposition of all such fiduciary property received by the lawyer.

(b) **Receipt upon taking custody.** Upon taking custody, as a fiduciary, of any tangible personal property or securities in bearer form, the lawyer should provide to the previous custodian a signed receipt, with a description of the property, and the date of receipt.

(c) **Dispositional receipt.** Upon disposition of any tangible personal property or securities in bearer form held by the lawyer as a fiduciary, the lawyer should obtain a signed receipt, with a description of the property and the date of disposition, from the recipient.

3. **Electronic Record retention.** A lawyer who maintains fiduciary account records by computer should maintain the transaction register and reconciliation reports in a form that can be reproduced to printed hard copy. Electronic records should be backed up by an appropriate storage device.