



The 5 Most Common Trust Accounting Mistakes & How to Overcome Them

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Webinar Agenda

1. Why this webinar?
2. Background on discovering top 5 mistakes
3. Go through top 5 mistakes
4. Discuss solutions and actions you can take to overcome mistakes

Presenter Background: Tom Boyle

- Co-founder of TrustBooks
- CPA in NC
- Lead trust accounting nerd at TrustBooks



Why this webinar?

#1 way attorneys get disbarred...



Why this webinar?

Back this up with the stats...



Why this webinar?

Attorneys fear getting disbarred due to trust noncompliance!

- Mismanaging trust funds is the #1 way attorneys get disbarred.
- Cost for making a mistake is too high. You can lose your law license.

Trust Accounting Mistake #1

Maintaining client ledgers

- Every deposit in, every disbursement out... **MUST** be assigned to a client

Trust Accounting Mistake #1

Maintaining client ledgers



Trust Accounting Mistake #2

NEVER bring a client balance into the red (negative)

Trust Accounting Mistake #3

Timing is everything

- Before making a disbursement... funds **MUST BE** available in your trust bank account.



Trust Accounting Mistake #4

Always maintain an audit trail

- Maintain proper documentation for greater transparency and better recordkeeping.

Trust Accounting Mistake #5

Failing to perform a Three -Way Reconciliation

- Reconciles the following three balances:
 1. Bank balance
 2. Trust ledger balance
 3. Sum of client ledger balances

Purpose of reconciliations

Relying on better data (ie – bank information)

Internal Accounting Data
(TrustBooks, QuickBooks, Spreadsheets)

3rd Party Data
(Bank Statements)



Least reliable

Most reliable



Purpose of reconciliations

- Ensure records are complete & accurate
- Mistakes happen... catch and fix in a timely basis
- Detection of potential fraud or embezzlement or mismanagement

Common reconciliation pitfalls

- Reconciliations in accounting software are NOT Three-Way Reconciliations
- Lack of understanding on how to perform a reconciliation
- Relying on a bookkeeper who doesn't know trust rules
- Waiting too long to perform a reconciliation
- Poor records and data entry

Solving trust accounting headaches

Walking through solutions using software...



Why QuickBooks is NOT the solution!

- Not designed to meet trust accounting rules
- Too complex and too difficult for normal people
- Terrible customer service
- Expensive due to hiring bookkeepers
- Impossible to onboard efficiently and painlessly

Why TrustBooks IS the solution!

- Offers attorneys an **alternative to QuickBooks**
- Integrations with Clio, LawPay & Online Banking keeps accounting insanely simple
- Saves time on daily workflow (typically under 5 min per day)
- Saves time on month-end process (typically under 30 min per month)

How attorneys feel when using QuickBooks...



How attorneys feel when using TrustBooks...

