

THE SMART WAY TO RUN YOUR SMALL PRACTICE



SILQ Solicitor Learner Guides

Manual 5 – Trust Accounting

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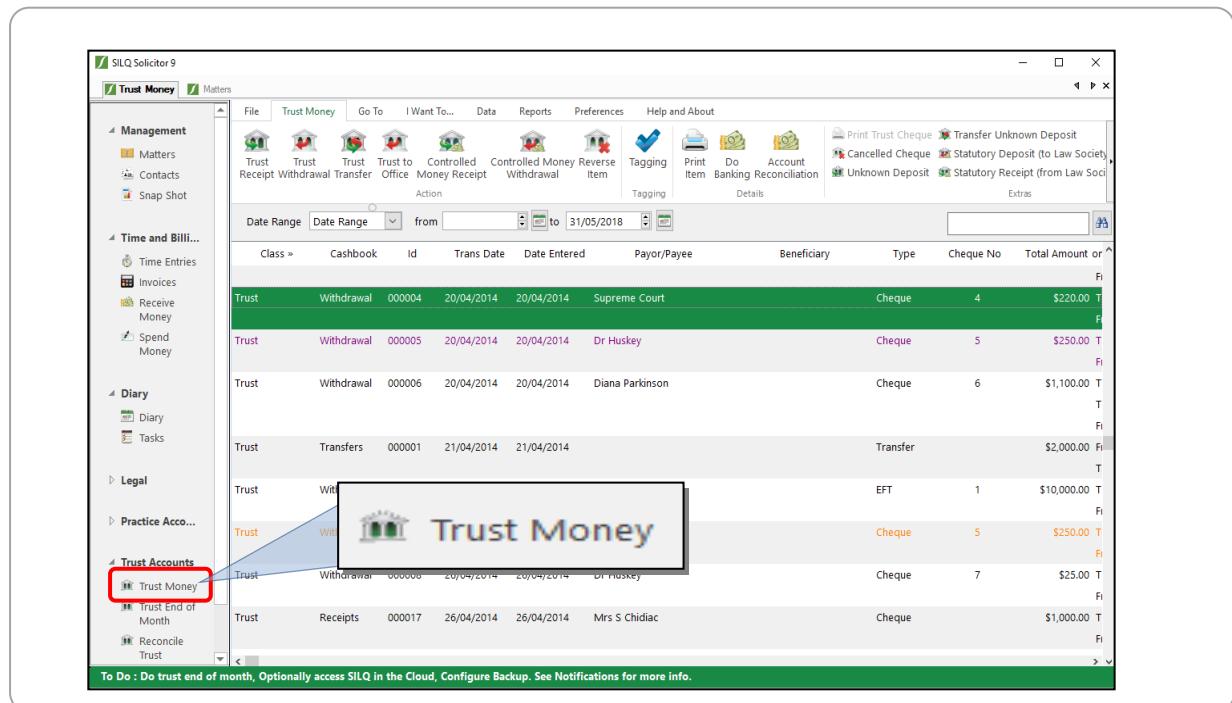
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1. Trust Accounting

Overview

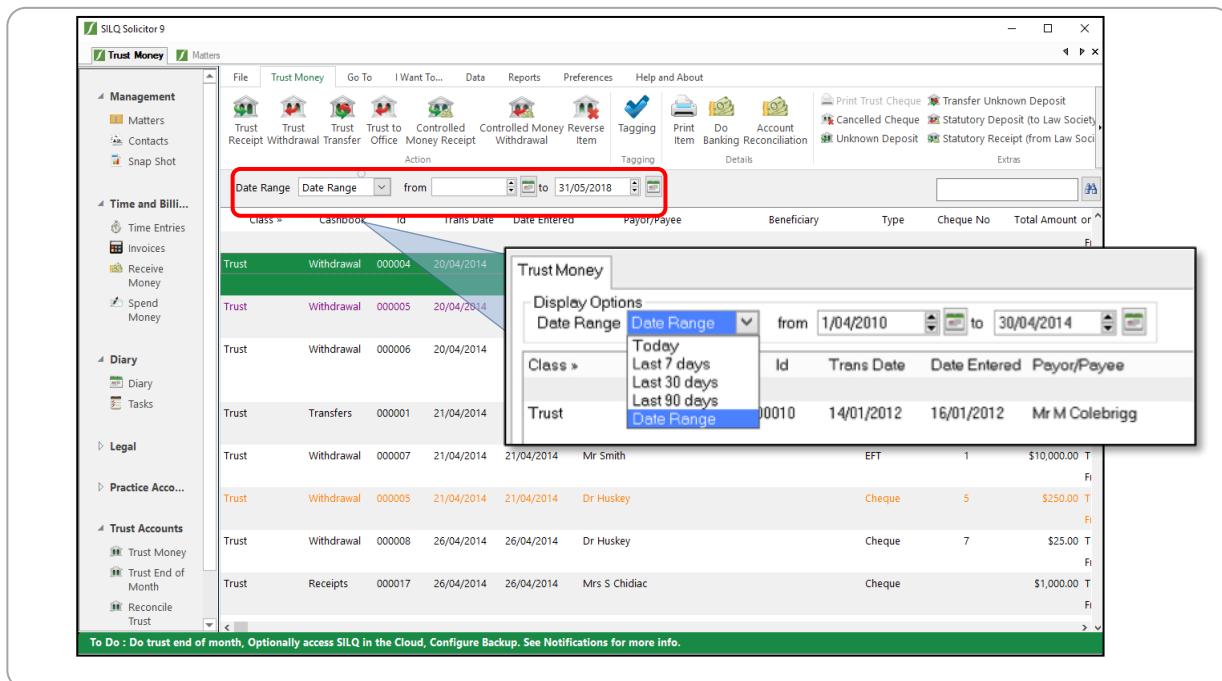
- For accounting and support staff working for legal practitioners in sole practice and partnerships, the necessity to deal with trust money and manage the accounting relating to trust money is an integral part of legal practice.
- It is vital that a law practice's trust records provide a complete historical record of all trust money transactions undertaken. The legislation in force in New South Wales sets out the requirements as to the scope and form of such records.
- The creation and maintenance of adequate and effective accounting systems for funds entrusted to a law practice improves the efficiency of legal practice and reduces the risks associated with the handling of funds entrusted to a law practice.

1.1 The Trust Money Window



To access the Trust Accounting functionality in SILQ, click on the **Trust Money** button on the left Navigation Toolbar. This will bring you to the **Trust Money** window.

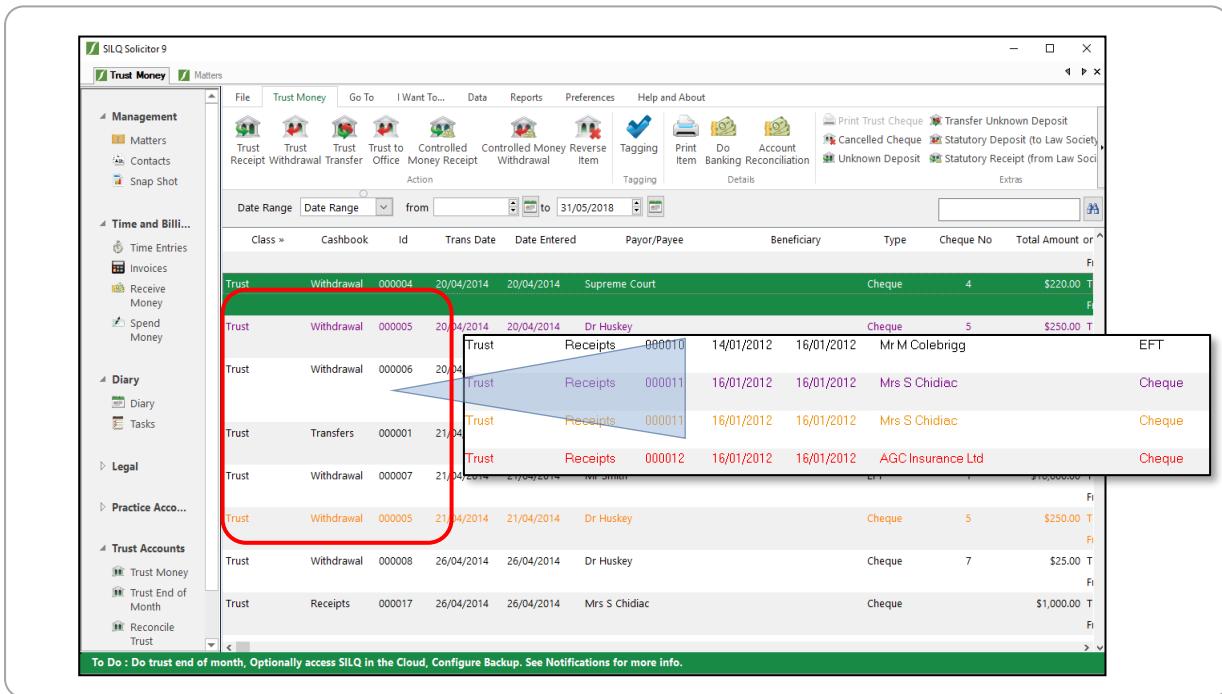
1.1a Trust Money Window Overview



On the top left-hand side of the Trust Money window are the **Display Options**. This allows you to filter your Trust money transactions to find the specific ones you are looking for.

Display Options – Date Range: From the Date Range drop down menu, you can select a specific number of days, or a date range to view the transactions for the specified period.

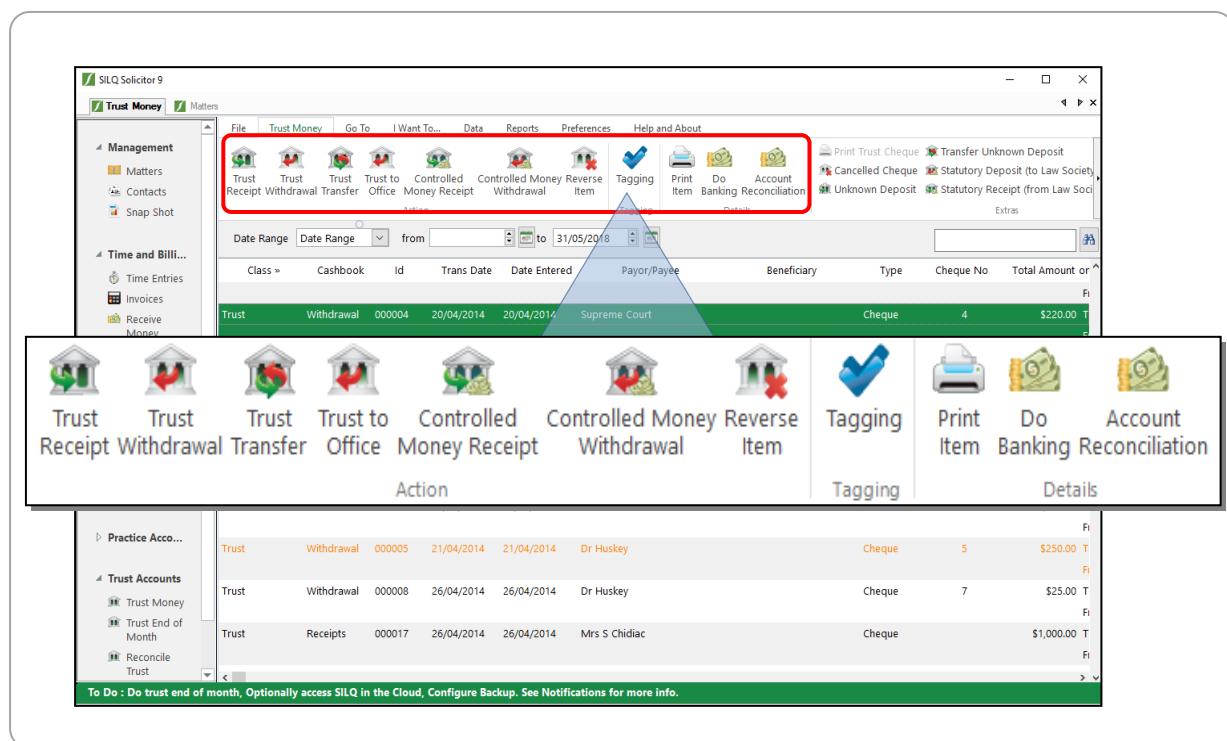
1.1b Colours in the Trust Money Window



The main page view of the Trust Accounting menu has a handy colour coded scheme. The following colours represent the following item status which helps you to have an at a glance status of:

- RED – Item entries that are unprinted
- BLACK – Item entries that have been printed
- PURPLE – Item entries that have been reversed
- ORANGE – The reversing item

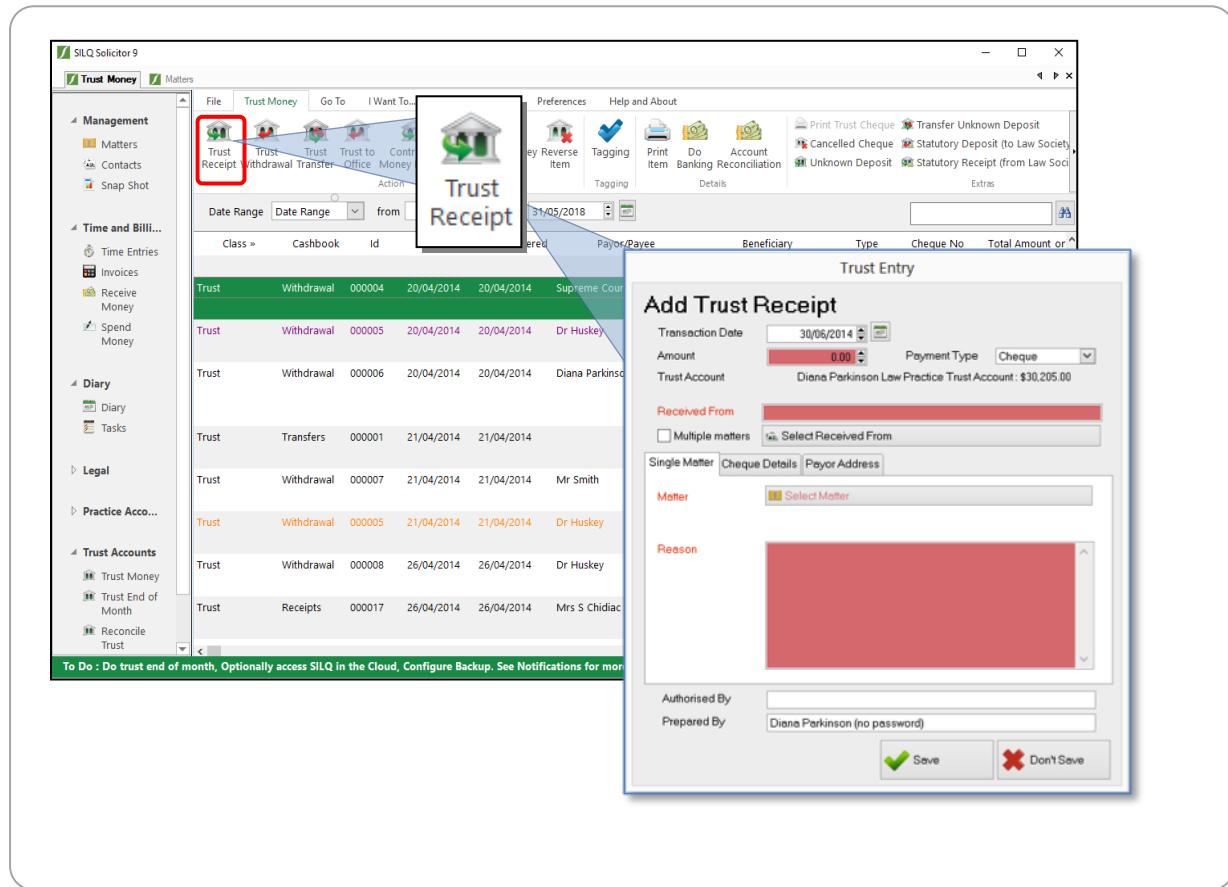
1.1c Top Toolbar Buttons



On the main Trust Money window, you will be presented with all necessary options to perform trust money transactions. The right-hand side toolbar contains most day-to-day Trust entry and withdrawal menu items. In this menu, you can:

- **Trust Receipt:** Enter a Trust Receipt
- **Trust Withdrawal:** Enter a Trust Withdrawal
- **Trust Transfer:** Enter a Trust Transfer
- **Controlled Money Receipt:** Enter a Controlled Money Receipt
- **Controlled Money Withdrawal:** Enter a Controlled Money Withdrawal
- **Reverse Item:** Reverse items if mistakes are made
- **Print Item and Tagging:** Print or Tag items as necessary
- **Do Banking:** Bank Cash or Cheque deposits
- **Account Reconciliation:** Reconcile your Trust or Controlled money accounts

1.2 How to add a trust receipt from the Trust Money Window



To enter a trust receipt into SILQ, on the Trust Money window, click on the Trust Receipt button in the top toolbar.

The **Trust Receipt** window will open up, which is where you will enter all the details of the trust receipt. All mandatory fields will appear in RED, indicating they must be completed before being able to save.

You can enter a Trust receipt for a single matter, and for multiple matters. In the following sections we will look at how to enter for both situations.

1.3 Add a Trust receipt for a single matter

The screenshot shows the 'Add Trust Receipt' window with two panels. The left panel is labeled 'Trust Entry' and has a red border around its top section. The right panel shows the same fields after being filled out. A blue arrow points from the left panel to the right panel, indicating the flow of data.

Trust Entry		
Add Trust Receipt		
Transaction Date	30/06/2014	
Amount	25,000.00	
Payment Type	Cheque	
Trust Account	Diana Parkinson Law Practice Trust Account : \$30,205.00	
Received From	Mr Greg Knight	
<input type="checkbox"/> Multiple matters	<input type="checkbox"/> Select Received From	
Single Matter	Cheque Details	Payer Address
Matter	Eleenoar Carver & Associates : Garlington Pty Limited v Caringbar Pty Ltd Trust Ledger : \$16,255.00	
Reason	Deposit for property at 100 New Beach Road, Rose Bay	
Authorised By	Diana Parkinson	
Prepared By	Diana Parkinson	
<input checked="" type="button"/> Save <input type="button"/> Don't Save		

Trust Entry		
Add Trust Receipt		
Transaction Date	30/06/2014	
Amount	25,000.00	
Payment Type	Cheque	
Trust Account	Diana Parkinson Law Practice Trust Account : \$30,205.00	
Received From	Mr Greg Knight	
<input type="checkbox"/> Multiple matters	<input type="checkbox"/> Select Received From	
Single Matter	Cheque Details	Payer Address
Matter	Eleenoar Carver & Associates : Garlington Pty Limited v Caringbar Pty Ltd Trust Ledger : \$16,255.00	
Reason	Deposit for property at 100 New Beach Road, Rose Bay	
Authorised By	Diana Parkinson	
Prepared By	Diana Parkinson	
<input checked="" type="button"/> Save <input type="button"/> Don't Save		

The trust receipt window has a number of fields that need to be filled in.

By default, the trust receipt window is for entering a receipt for a single matter.

The following information has been entered in the example above for a single matter.

- **Transaction Date:** Date the transaction was done. (**Refer to Trust Transaction Dating and Trust Money Recording on page 61**)
- **Amount:** Enter the amount of money you wish to enter into the trust account. In the example, \$25,000 has been entered
- **Received From:** This is the party that has issued the money to your firm
- **Payment Type:** Choose the payment type. The options are Cheque and EFT
- **Matter:** Click on the matter icon and link to an existing matter– in the example it is the Georgio matter
- **Reason:** This free form field allows you to type in the reason why this money is being deposited to the Trust Account
- **Authorised by:** This field allows you to enter who authorised this transaction, which is usually the responsible solicitor
- **Prepared by:** This field will auto fill, but will only need to be changed if it's incorrect

Add Trust Receipt – Payment Type

There are three different payment types that SILQ will allow you to record.

- Cheque
- EFT
- Cash

Payment Type	Cheque
	<input checked="" type="button"/>
	EFT
	Cash

Depending on which payment type you choose, the payment details tab will dynamically generate the appropriate fields for you to fill in for you given payment type you choose in the trust receipt window.

Entering Cheque details for a Trust Receipt

The screenshot shows the 'Trust Entry' window with the 'Add Trust Receipt' tab selected. The 'Payment Type' dropdown is set to 'Cheque'. A red box highlights the 'Cheque Details' tab, which is currently active. Below it, the 'Payor Address' tab is visible. The 'Cheque Details' tab contains fields for 'Cheque No' (set to 2), 'Bank Cheque' (unchecked), 'Account Name' (Diana Parkinson Law Practice Trust Account), 'BSB' (012-234), 'A/c No' (200 300 400), and 'Australia and New Zealand Banking Group Limited' (grayed out). At the bottom are 'Save' and 'Don't Save' buttons.

Selecting the Cheque payment type, titles the payment details tab a **Cheque Details**. In this section, SILQ allows you to enter all the information in regards to the cheque that was banked. Mandatory fields will be RED and suggested fields will be in Orange. Refer to the example above.

- **Cheque No:** SILQ will auto number cheques. You can also overwrite this and manually enter a cheque number
- **Bank Cheque:** Tick this field if the cheque received was issued as a bank cheque
- **Account Name:** The name of the account that the cheque received came from
- **BSB:** BSB bank details of the payer
- **A/C No:** The bank account number that the cheque is being issued from

Entering EFT Details for a Trust Receipt

The screenshot shows the 'Trust Entry' software interface with the 'Add Trust Receipt' screen open. The 'Payment Type' dropdown is set to 'EFT'. A red box highlights the 'EFT Details' tab, which is currently active. A blue arrow points from the 'EFT Details' tab to a detailed view of the payment information. The detailed view includes fields for Bank Reference (ANZ), Account Name (Diana Parkinson Law Practice Trust Account), BSB (012-234), and A/c No (200 300 400). At the bottom of the main screen, there are 'Save' and 'Don't Save' buttons.

Selecting the EFT payment type, titles the payment details tab as **EFT Details**. In this section, SILQ allows you to enter all the information in regards to the electronic funds transfer. Refer to the example above.

- Bank Reference: Enter the Bank name details and reference number
- Account Name: The name of the account that the monies received came from
- BSB: BSB bank details of the payer
- A/C No: The bank account number that the funds were issued from

Entering Cash Details for a Trust Receipt

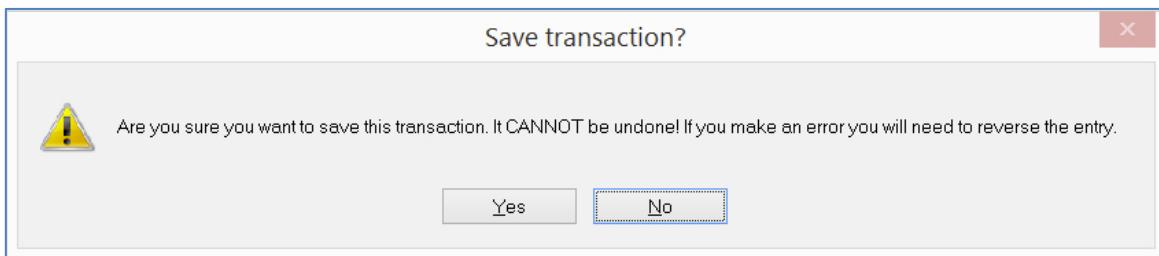
The screenshot shows the 'Trust Entry' window with the 'Add Trust Receipt' dialog open. The 'Payment Type' dropdown is set to 'Cash'. The 'Cash' tab is selected in the payment details section. The 'Cash Total' field contains '25.000.00'. A preview window on the right shows the same cash entry details.

Selecting the Cash payment type, titles the payment details tab as **Cash**. In this section, SILQ allows you to enter all the information in regards to the cash payment. Mandatory fields will be RED.

- **Coin:** Allows to you manually enter the total amount of cash in coins received
- **Five Dollars, Ten Dollars etc:** Enter in each of the denominations of currency received

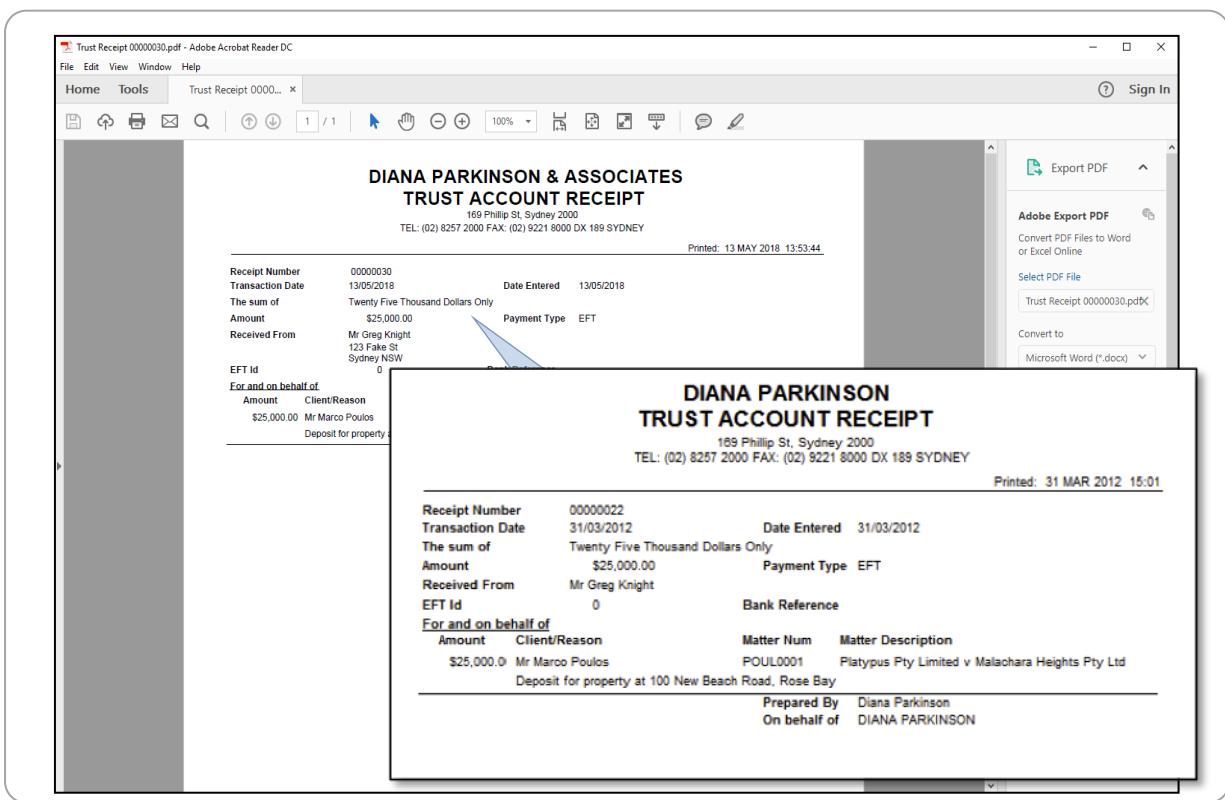
Once you have entered all the details into the trust receipt window, click **Save**.

The following message will then appear.



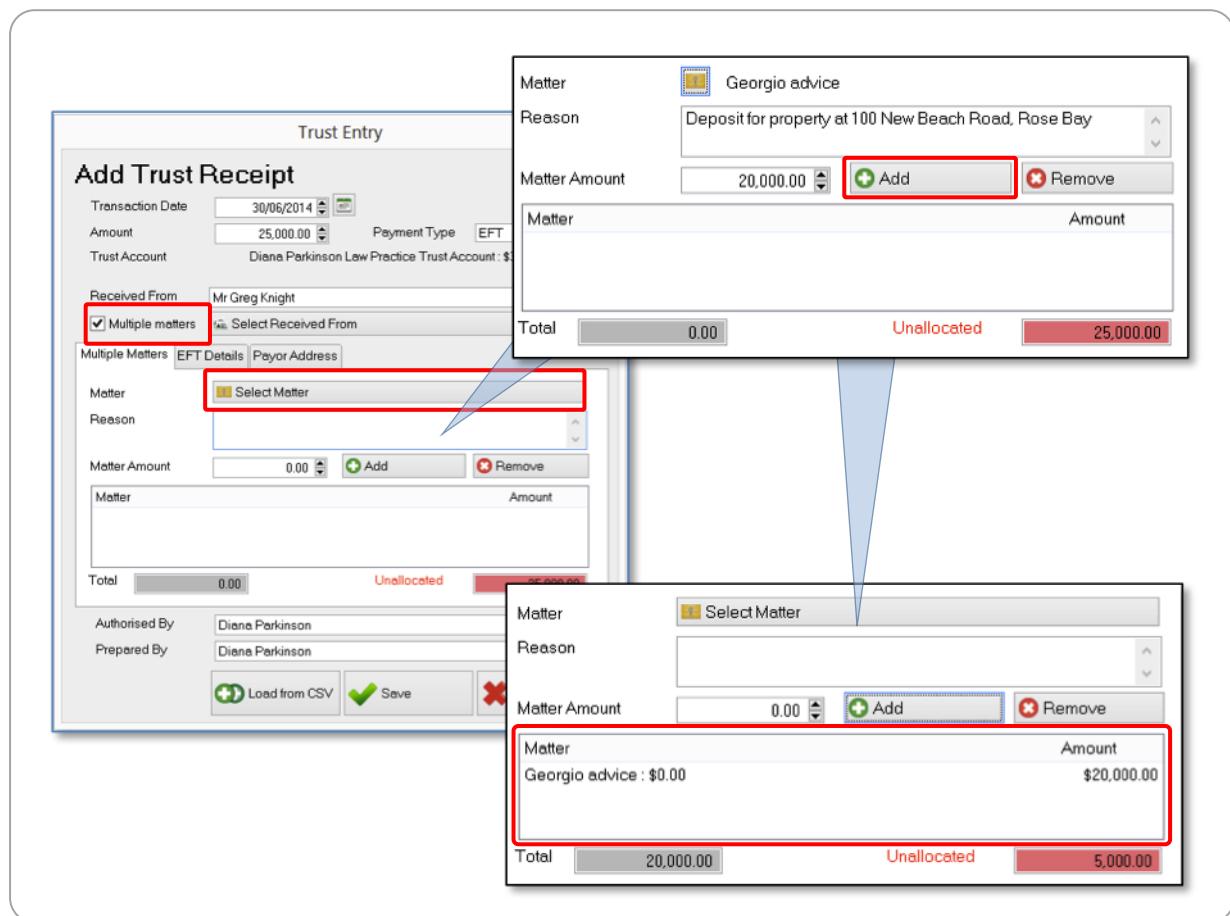
Note: Any entries incorrectly entered into SILQ cannot be undone; they must be reversed. This is to ensure a correct audit trail for the trust account. By clicking Yes to the message, you will proceed to the print screen page. All transactions then need to be printed in hard copy.

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You will be presented Trust Account Receipt as a PDF saved in Matter Folder. You can choose to print this if it's required.

1.4 Add a Trust receipt for multiple matters



If a Trust receipt is to be spread across more than one matter, you have the option to select multiple matters from the Trust Receipt window.

As in the example above, The **Multiple matters** checkbox was ticked, which changes the single matter tab to **Multiple Matters**.

Click on the **Select Matter** button and choose the first matter to assign the trust money. Enter a **Reason**, and then the amount to allocate to this matter.

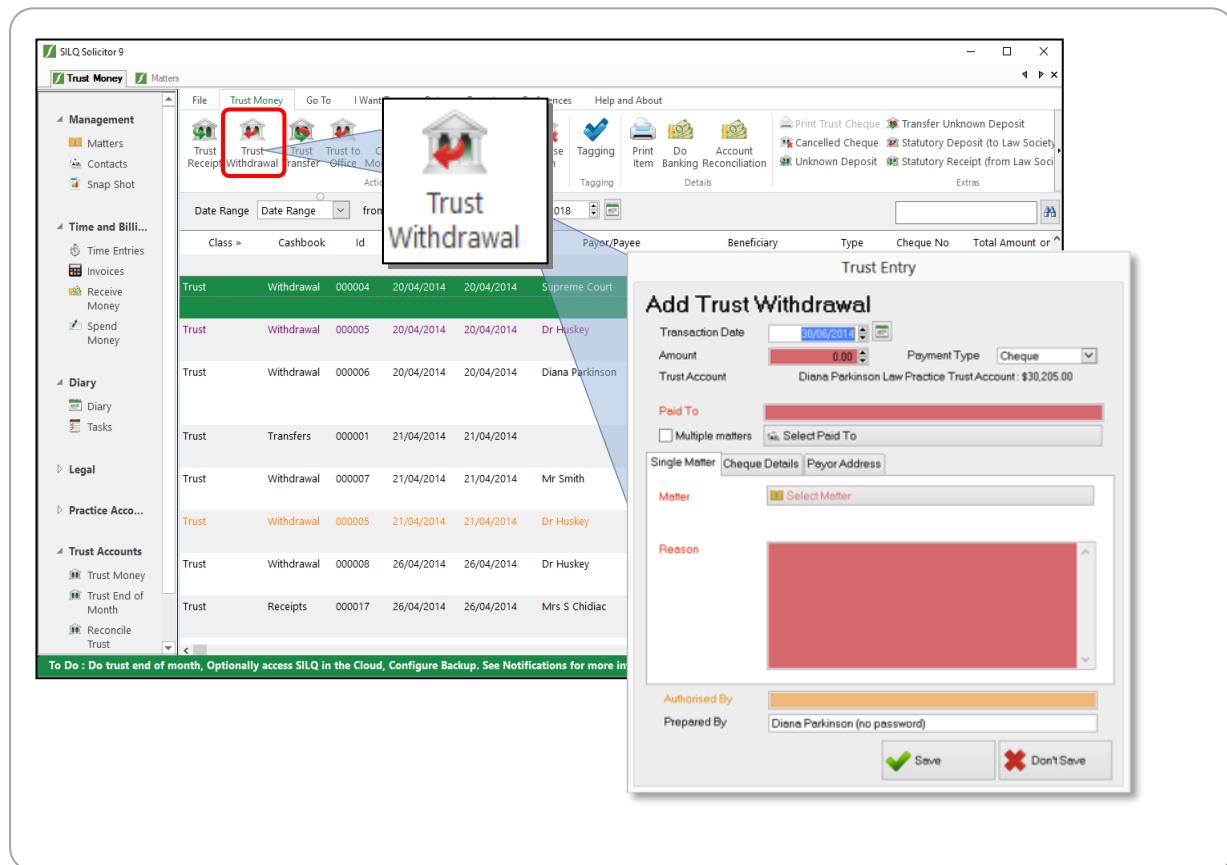
Next click on the **Add** button, to add this matter to the list.

In the example above you will see that \$20,000 was allocated to the first matter that was added. You will then see in the Unallocated field in the bottom right-hand side of the window that \$5,000 is yet to be allocated.

Repeat the above process to add the next matter until the trust receipt amount is all allocated.

Once you have entered all the details into the trust receipt window, click **Save**. Then the Save Transaction dialogue will open up, which can be seen on page 12, and you will then be able to print out the receipt, which can be seen on page 13.

1.5 Trust Withdrawals



To enter a Trust Account withdrawal into SILQ Solicitor, click on the **Trust Withdrawal** button on the sidebar in the Trust Money window. You will then be presented with the Add Trust Withdrawal window as per the example above.

Again, you'll notice all the RED fields are mandatory and need to be filled in, and suggested fields are highlighted in Orange.

- **Transaction Date:** The date the withdrawal was done. ([Refer to Trust Transaction Dating and Trust Money Recording on page 61](#))
- **Amount:** Enter the amount of money you wish to enter into the trust account
- **Payment Type:** the options are Cheque and EFT
- **Payee:** This is the party that the money in Trust is being issued to

You can enter a Trust withdrawal for a single matter, and for multiple matters. In the following sections we will look at how to enter for both situations.

1.6 Add a Trust withdrawal for a single matter

The trust withdrawal window has a number of fields that need to be filled in.

By default, the trust withdrawal window is for entering a trust withdrawal for a single matter.

The following information has been entered in the example above for a trust withdrawal for a single matter.

- **Amount:** Enter the amount of money you wish to enter into the trust account. In the example, \$25,000 has been entered
- **Received From:** This is the party that has issued the money to your firm
- **Payment Type:** Choose the payment type. The options are Cheque and EFT
- **Matter:** Click on the matter icon and link to an existing matter– in the example it is the Georgio matter
- **Reason:** This free form field allows you to type in the reason why this money is being deposited to the Trust Account
- **Authorised by:** This field allows you to enter who authorised this transaction, which is usually the responsible solicitor
- **Prepared by:** This field will auto fill, but will only need to be changed if it's incorrect

Add Trust Withdrawal – Payment Type

There are two different payment types that SILQ will allow you to record.

- Cheque
- EFT

Payment Type	Cheque
	<input checked="" type="checkbox"/> Cheque
	EFT

Depending on which payment type you choose, the payment details tab will dynamically generate the appropriate fields for you to fill in for you given payment type you choose in the trust withdrawal window.

Entering Cheque details for a Trust Withdrawal

The image shows two side-by-side screenshots of the 'Add Trust Withdrawal' window in the 'Cheque' payment type tab. Both screenshots have identical top sections: Transaction Date (30/06/2014), Amount (25,000.00), Payment Type (Cheque selected), and Trust Account (Diana Parkinson Law Practice Trust Account: \$30,205.00). The 'Paid To' field contains 'Barber and Associates'. Below these are three tabs: 'Single Matter' (selected), 'Cheque Details' (highlighted in orange), and 'Payor Address'. In the first screenshot, the 'Cheque No' field contains '14' and the 'Bank Cheque' checkbox is unchecked. In the second screenshot, the 'Bank Cheque' checkbox is checked, and a red box highlights the 'Beneficiary' field, which now contains 'John Barber'. A blue arrow points from the 'Cheque No' field in the first screenshot to the 'Beneficiary' field in the second screenshot, indicating the transition between the two types of cheques.

Selecting the Cheque payment type, titles the payment details tab **Cheque Details**. In this section, SILQ allows you to enter all the information in regards to the cheque that was banked. Mandatory fields will be RED and suggested fields will be in Orange. Refer to the example above.

- **Cheque No:** Allows to you manually enter a cheque number (but will autofill in your cheque number sequence)
- **Bank Cheque:** Tick this field if the cheque being issued is a bank cheque. **Please note:** With a Bank Cheque, the payee becomes the Financial Institution and the extra 'beneficiary field' as can be seen in the example above, becomes who the cheque is being written for.
- **Beneficiary:** If the Bank Cheque box is ticked, the beneficiary window will appear with the name of the Bank Cheque Beneficiary details to be added
- **Payee Name:** The name of the receiver of the cheque

Entering EFT Details for a Trust Withdrawal

Trust Entry

Add Trust Withdrawal

Transaction Date: 30/06/2014
Amount: 25,000.00
Payment Type: EFT
Trust Account: Diana Parkinson Law Practice Trust Account: \$30,205.00

Paid To: Barber and Associates
 Multiple matters

Single Matter Payor Address

EFT Id: 3
Bank Reference:
Account Name:
BSB: A/c No:

Authorised By: Diana Parkinson
Prepared By: Diana Parkinson

EFT Details

EFT Id: 3
Bank Reference: ANZ
Account Name: Diana Parkinson Law Practice Trust Account
BSB: 012-234 A/c No: 200 300 400

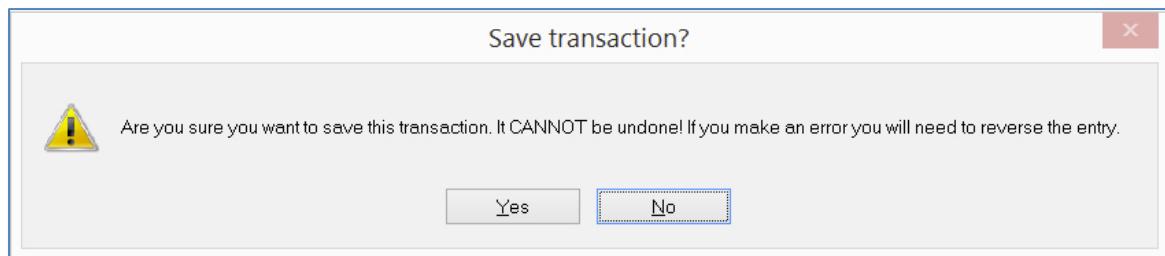
Australia and New Zealand Banking Group Limited

Selecting the EFT payment type, titles the payment details tab as **EFT Details**. In this section, SILQ allows you to enter all the information in regards to the electronic funds transfer. Refer to the example above.

- **Bank Reference:** Enter the Bank name details and reference number
- **Account Name:** The name of the account that the monies received came from
- **BSB:** BSB bank details of the payee
- **A/C No:** The bank account number of the payee

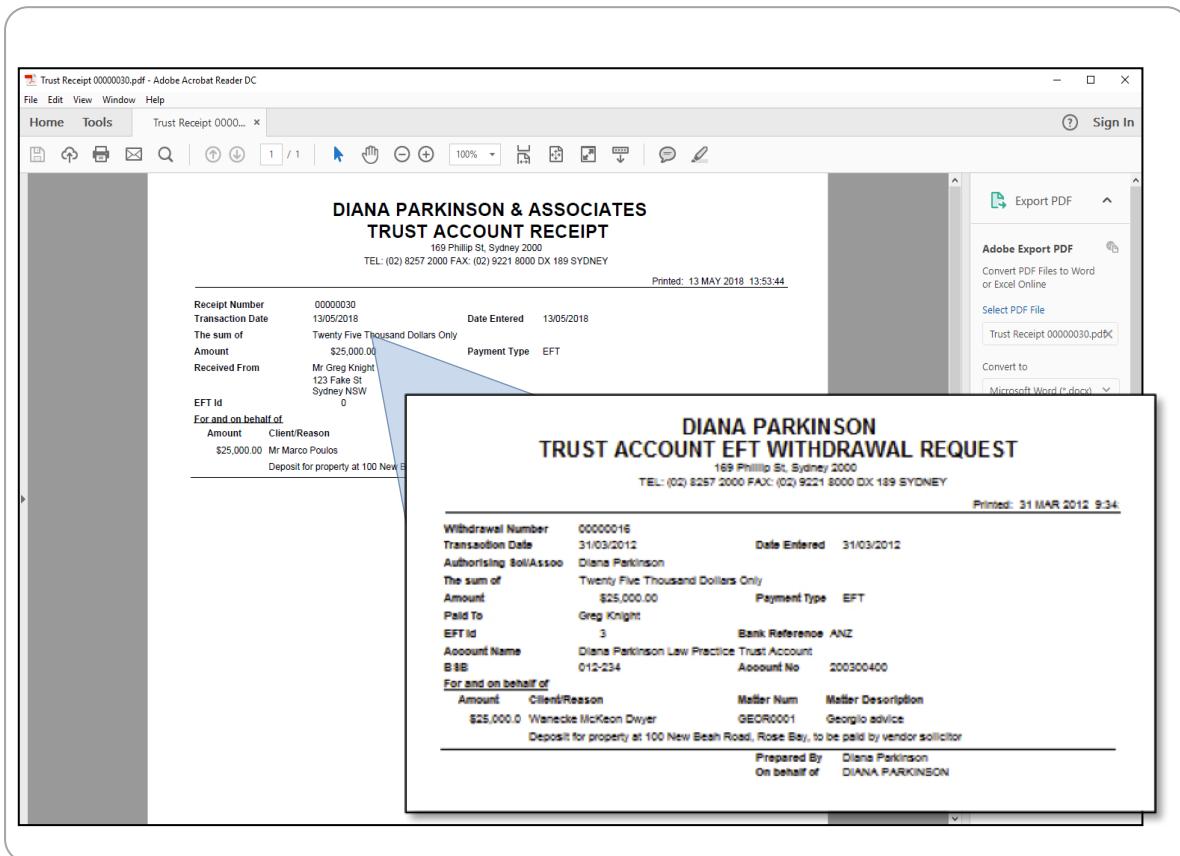
Once you have entered all the details into the trust withdrawal window, click **Save**.

The following message will then appear.



Note: Any entries incorrectly entered into SILQ cannot be undone; they must be reversed. This is to ensure a correct audit trail for the trust account. By clicking Yes to the message, you will proceed to the print screen page. All transactions then need to be printed in hard copy.

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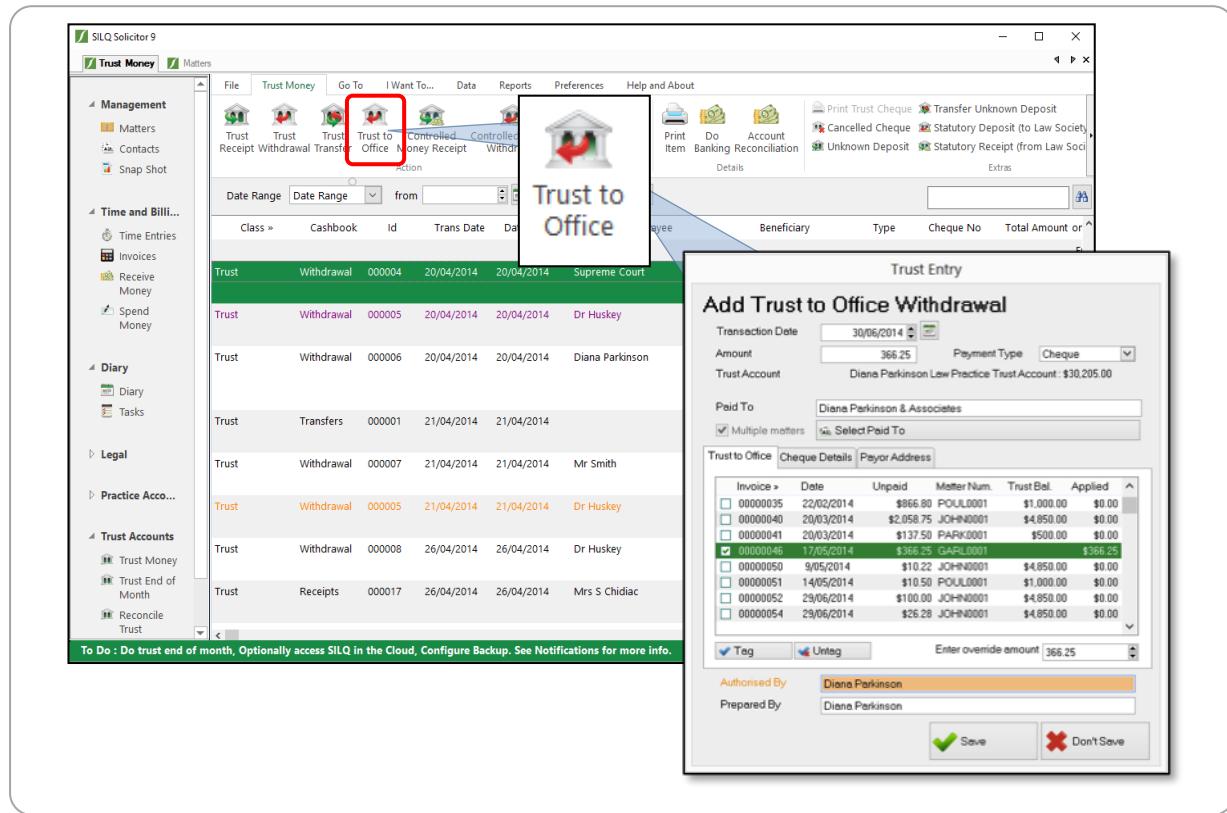
You will be presented Trust Account Withdrawal Request as a PDF saved in Matter Folder. You can choose to print this if it's required.

1.7 Add a Trust withdrawal for multiple matters

If a Trust withdrawal is to be spread across more than one matter, you have the option to select multiple matters from the Trust withdrawal window.

Doing a transaction for a trust withdrawal for multiple matters is the same process when doing a trust deposit for multiple matters. For instructions on how to do this, please refer to page 14.

1.8 Trust to Office



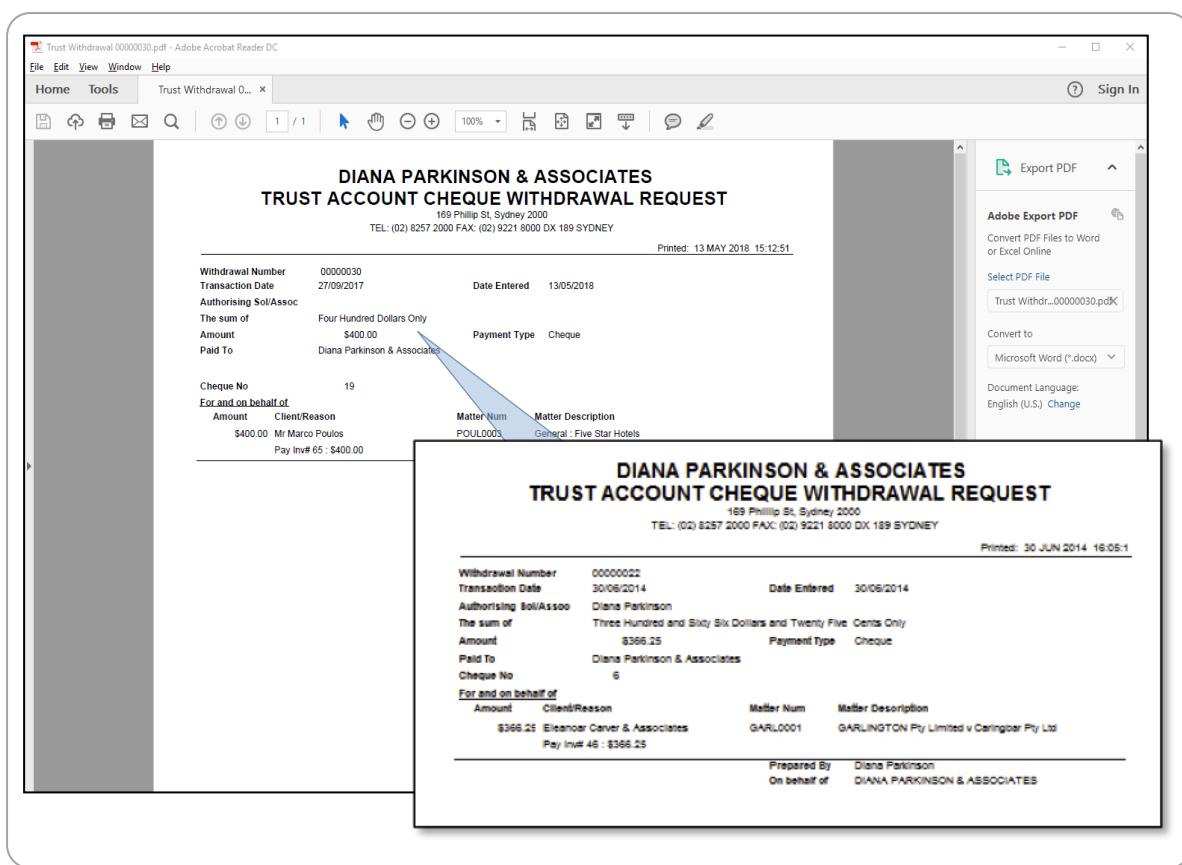
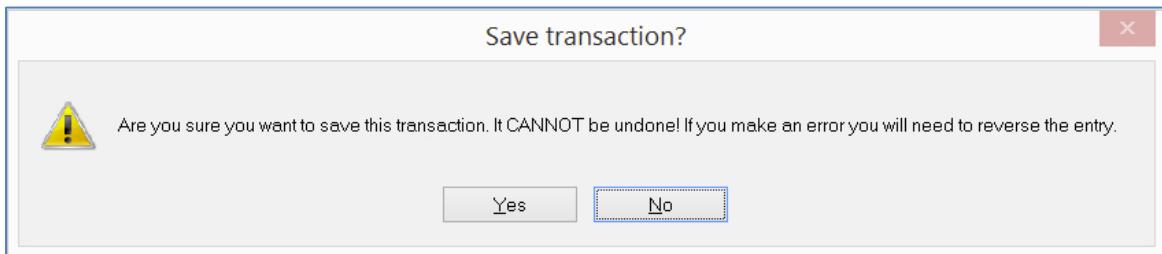
A Trust to Office transaction allows you to withdraw money out of trust and pay off an existing invoice in a matter. To complete a Trust to Office transaction, click on the **Trust to Office** button on the Top Toolbar in the Trust money window. You will then be presented with the Add Trust to Office Withdrawal window as per the example above.

- Transaction Date:** The date the transaction was done.
- Payment Type:** Select the payment type. Depending on which option you choose, you will need to enter the EFT Details or Cheque Details in either the Cheque Details or EFT Details tab.
- Trust to Office Tab:** Place a tick next to the invoice/s you will be paying off in this trust to office transaction. The amount field, which is highlighted in RED, will populate with the amount of the invoice/s you have ticked.
- If need be, enter a name into the **Authorised By** field.

Next, click on the **Save** button.

Manual 5: Trust Accounting

The following message will then appear.



You will be presented Trust Account Withdrawal Request as a PDF saved in Matter Folder. You can choose to print this if it's required.

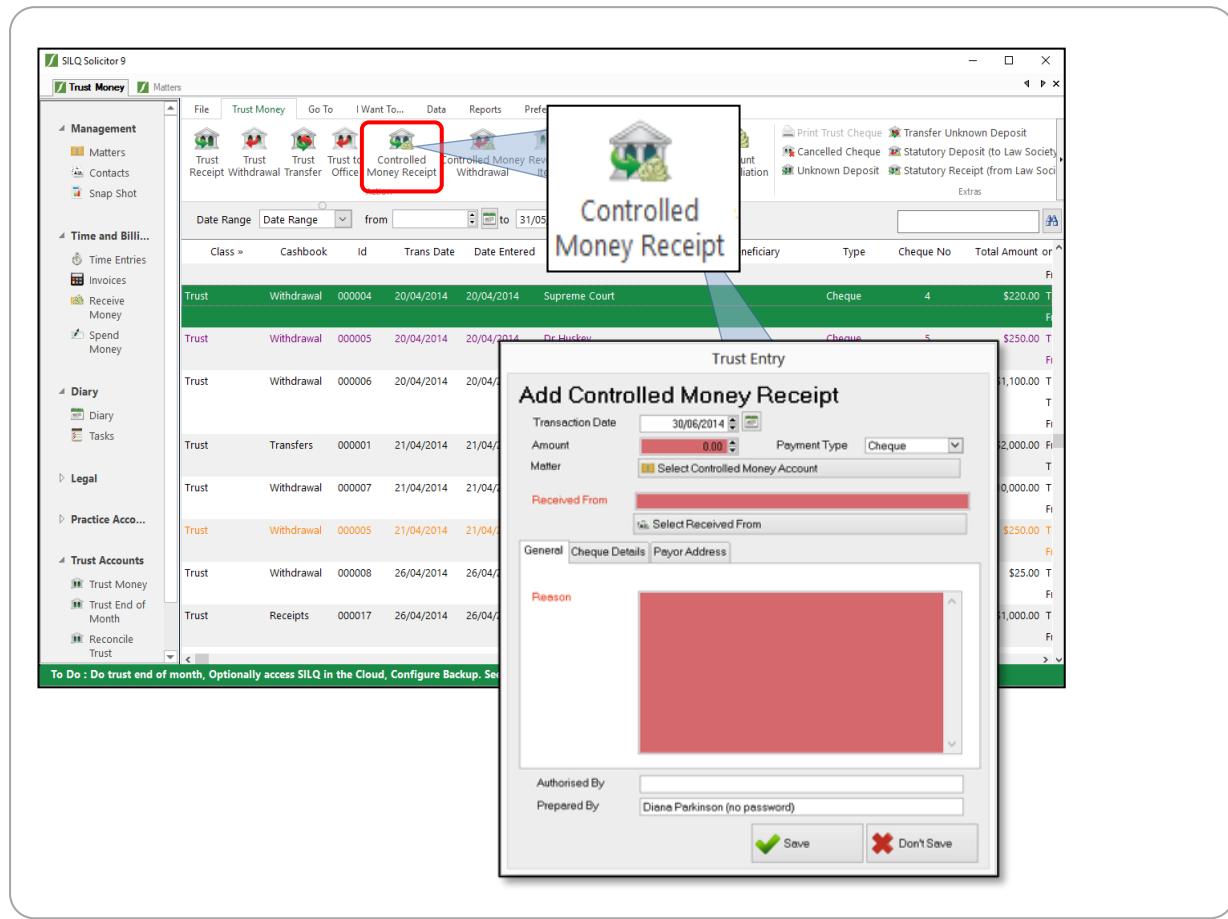
Afterwards, you will then be prompted to generate the General Receipt. This is the receipt that will generate for the invoice you are paying off via the trust account.

2. Controlled Money Receipts

Overview

- Entering a Controlled Money Receipt is virtually identical to entering a Trust Receipt, with a couple of subtle differences:
- It WILL allow you to select the account to which the money will be deposited into (because it is not going into the Trust Account).
- It WON'T allow a multi receipt because a Controlled Money transaction will only ever be to do with one account/matter. Controlled money can be used for items that do not need to be entered into the Trust Account directly, for example if a client asks you to hold money in an interest bearing account.

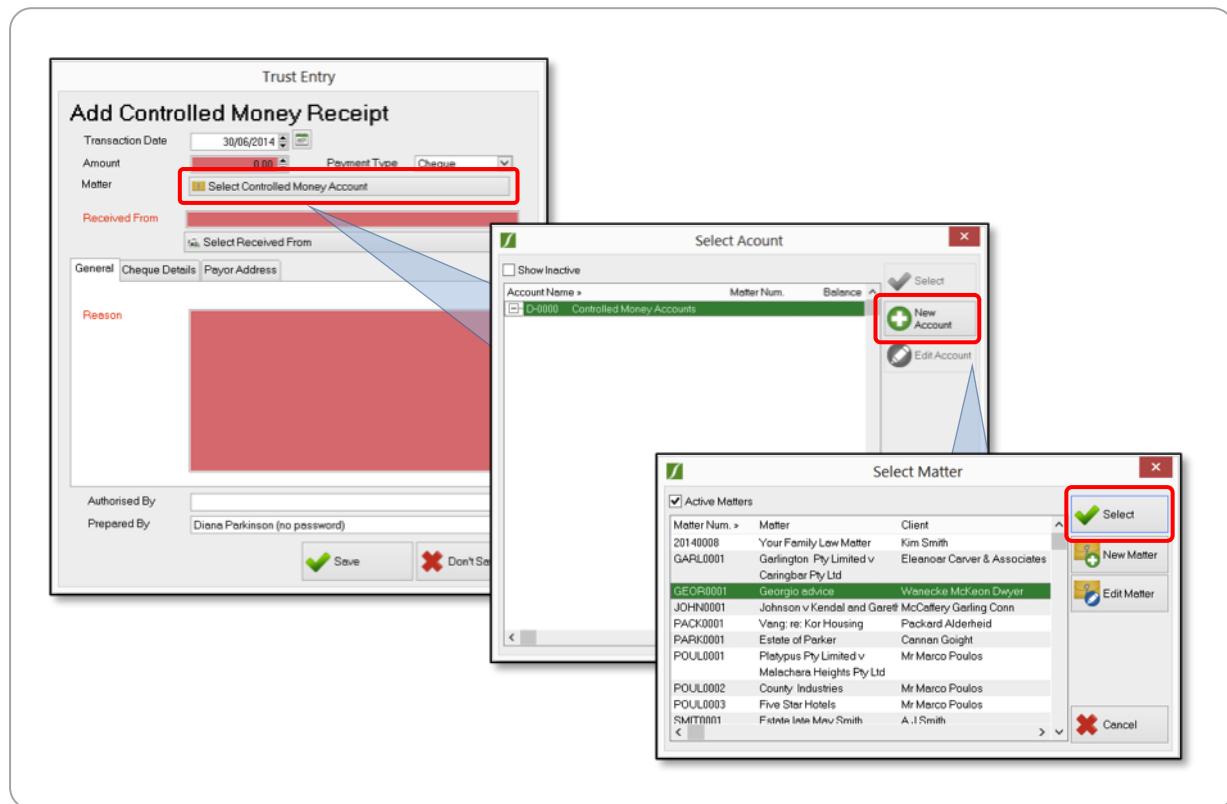
2.1 Add a Controlled Money receipt



To enter a controlled money receipt into SILQ, on the Trust Money window, click on the Controlled Money Receipt button in the Top Toolbar.

The **Controlled Money Receipt** window will open up, which is where you will enter all the details of the controlled money receipt. All mandatory fields will appear in RED, indicating they must be completed before being able to save.

2.2 Entering a new Controlled Money Bank Account into SILQ



When you enter a Controlled Money Receipt, you will need to select a Controlled Money Account to allocate the receipt to. In order to do this, you will first need to set up a new Controlled Money Bank Account.

To enter new Bank Accounts details into SILQ there are two methods. It can be done 'on the fly' whilst you are Adding a Controlled Money Receipt or via the Chart of Accounts.

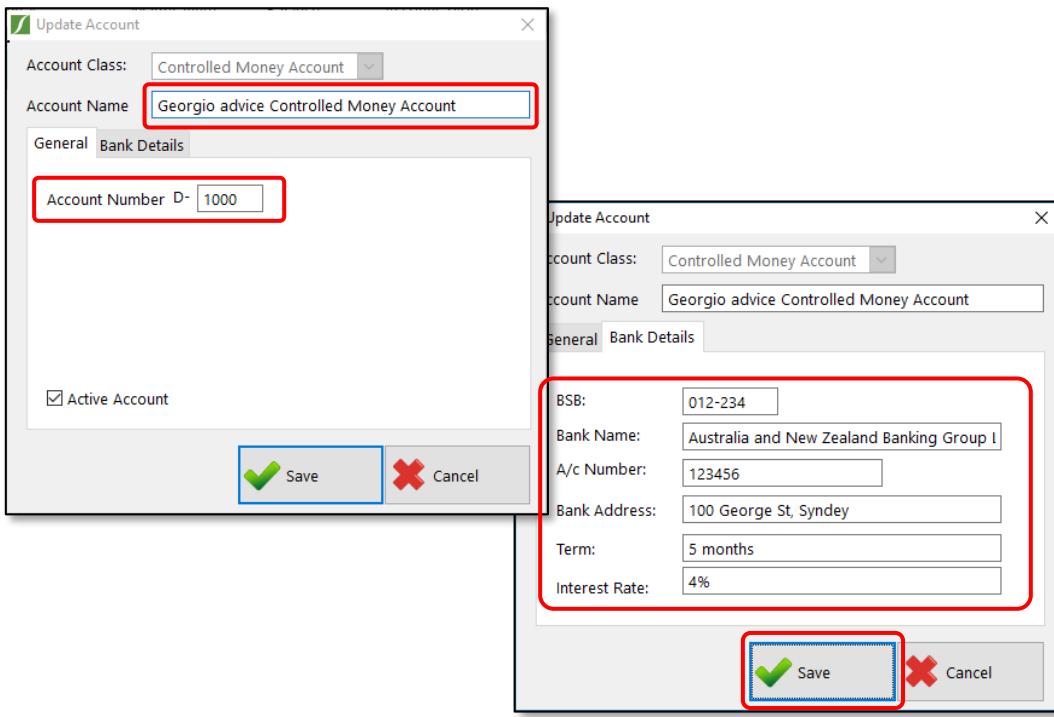
To add a bank account via the 'on the fly' method, click on the **Select Controlled Money Account** button within the Add Controlled Money Receipt Window.

The **Select Account** window will open up, and you will be presented with a list of available Controlled Money Accounts. In the example above, there are no accounts available, so a New Account must be added.

To set up a new account, click on the **New Account** button in the Select Account window, you will then need to link the Account you are about to set up to the correct Matter. In the select matter window that opens up, in the example above, we are linking the account to the Georgio Matter.

Click on the **Select** button.

Note: A new account can also be added in the Chart of Accounts accessed via the Trust menu at the top of the screen. Refer to Manual 3, Advanced Accounting and Reporting, page 5.



After clicking **Select**, you will be taken to the **Update Account** window, where you will need to enter the account name, number and bank account details for the account you are setting up.

First of all though, you must give it an Account number. This is the 4 digit account number that identifies the account. The full Account Number must be unique and will begin with the appropriate Header account number (in this case D -).

Click on the **Bank Details** Tab which is where you enter the bank account details.

The following fields need to be filled in:

- **BSB:** Bank BSB details
- **Bank Name:** Enter the name of the financial institution
- **A/c Number:** Bank Account number
- **Bank Address:** Street address of the financial institution
- **Term:** How long the monies have been deposited for
- **Interest Rate:** Interest Rate being achieved

Note: If you do not have Bank Account details to enter (which is entirely possible at this stage), you can skip the details, but you WILL be re-prompted to enter the details at a later date. An End of Month cannot be performed without the proper details.

2.3 Add a Controlled Money receipt transaction

The screenshot shows the 'Add Controlled Money Receipt' window and its corresponding details panel.

Main Window (Left):

- General Tab:**
 - Transaction Date: 30/06/2014
 - Amount: 15,000.00
 - Payment Type: Cheque
 - Matter: Select Controlled Money Account (button)
 - Received From: Georgio (button)
 - Reason: Received a \$15,000 Cheque from Georgio to cover future disbursements. Mr Georgio written directions are to deposit the money at call with St George Bank at an interest rate as determined by St George Bank.
 - Authorised By: Diana Parkinson
 - Prepared By: Diana Parkinson
- Cheque Details Tab:** (Not visible in the main window)
- Payer Address Tab:** (Not visible in the main window)

Details Panel (Right):

- Matter:** Georgio advice : \$0.00 (with a red box around the matter icon)
- Payer:** Steven Georgio
- General Tab:** (Not visible in the details panel)
- Cheque Details Tab:** (Visible in the details panel)
- Reason:**
 - Received a \$15,000 cheque from Mr Georgio to cover future disbursements. Mr Georgio written directions are to deposit the money at call with St George Bank at an interest rate as determined by St George Bank.
 - The practice must also complete a Form 15A to report the cash transaction to Austrac, refer to chapter 3.2 of the notes.
 - Your secretary advised later thatday that the \$15,000 had been deposited with St George at a rate of 4%.

Once you have added the Controlled Money Account, you can now enter the controlled money receipt. This window has a number of fields that need to be filled in, which will allow you to put in significant details about the nature of the monies being received and held in trust, as well as instructions from the client.

Whilst not going into the Trust Account, it is a Controlled Money Receipt, which is entered similarly to a Trust Receipt.

The following information has been entered in the example above for a controlled money receipt.

- Transaction Date:** Will auto-fill
- Amount:** Enter the amount of money you wish to enter into the trust account. In the example \$15,000 has been entered.
- Payment Type:** Options are Cheque, EFT, Cash or Credit Card
- Matter:** Click on the matter icon and link to an existing matter. In the example above, the Georgio matter has been selected.
- Payer:** This is the party that has issued the money to your firm
- In the General Tab, complete the Reason:** This free form field allows you to type in FREEFORM the reason as to why this money is being deposited to the Trust Account. In the example above, it is miscellaneous funds being held in trust for future disbursements – which also need to be deposited into a nominated interest earning bank account.
- Authorised by:** (this field allows you to enter how authorised this transaction – usually the responsible solicitor)
- Prepared by:** (this field will auto-fill, but will only need to be changed if not correct)

Entering Cheque details for a Controlled Money Receipt

Trust Entry

Add Controlled Money Receipt

Transaction Date: 30/06/2014
Amount: 15,000.00
Payment Type: Cheque
Matter: Georgio advice : \$0.00

Received From: Steve Georgio
Select Received From:

General Cheque Details Payer Address

Cheque No: 4 Bank Cheque
Account Name: Mr Georgio
BSB: 012-234 A/c N
Australia and New Zealand Banking Group Limited

Cheque No: 4 Bank Cheque
Account Name: Mr Georgio
BSB: 012-234 A/c No: 123 456 789
Australia and New Zealand Banking Group Limited

Authorised By: Diana Parkinson
Prepared By: Diana Parkinson

Save **Don't Save**

Selecting the Cheque payment type, displays the payment details tab **Cheque Details**. In this section, therefore recording how you received the Controlled Money from the client.

SILQ allows you to enter all the information in regards to the cheque that was banked. Mandatory fields will be RED and suggested fields will be in Orange. Refer to the example above.

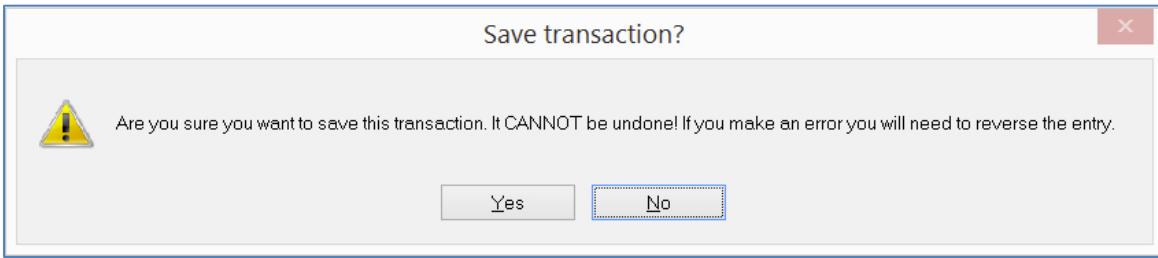
- **Cheque No:** Allows to you manually enter a cheque number
- **Bank Cheque:** Tick this field if the cheque received was issued as a bank cheque
- **Account Name:** The name of the account that the cheque received came from
- **BSB:** BSB bank details of the payer
- **A/C No:** The bank account number that the cheque is being issued from

Note: if you selected a payment type of either EFT or Cash, to see how to fill in these details, refer to pages 16 and 17.

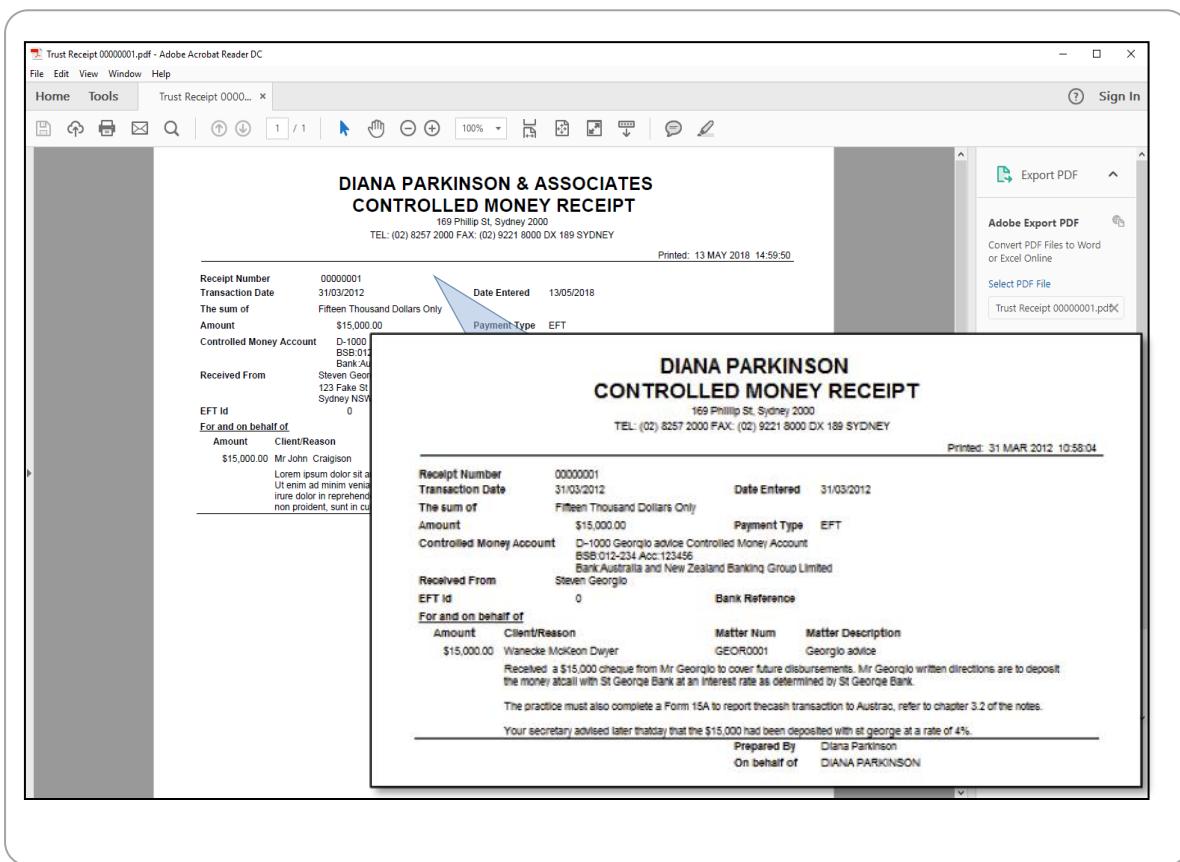
Once you have entered all the details into the trust withdrawal window, click **Save**.

Manual 5: Trust Accounting

The following message will then appear.

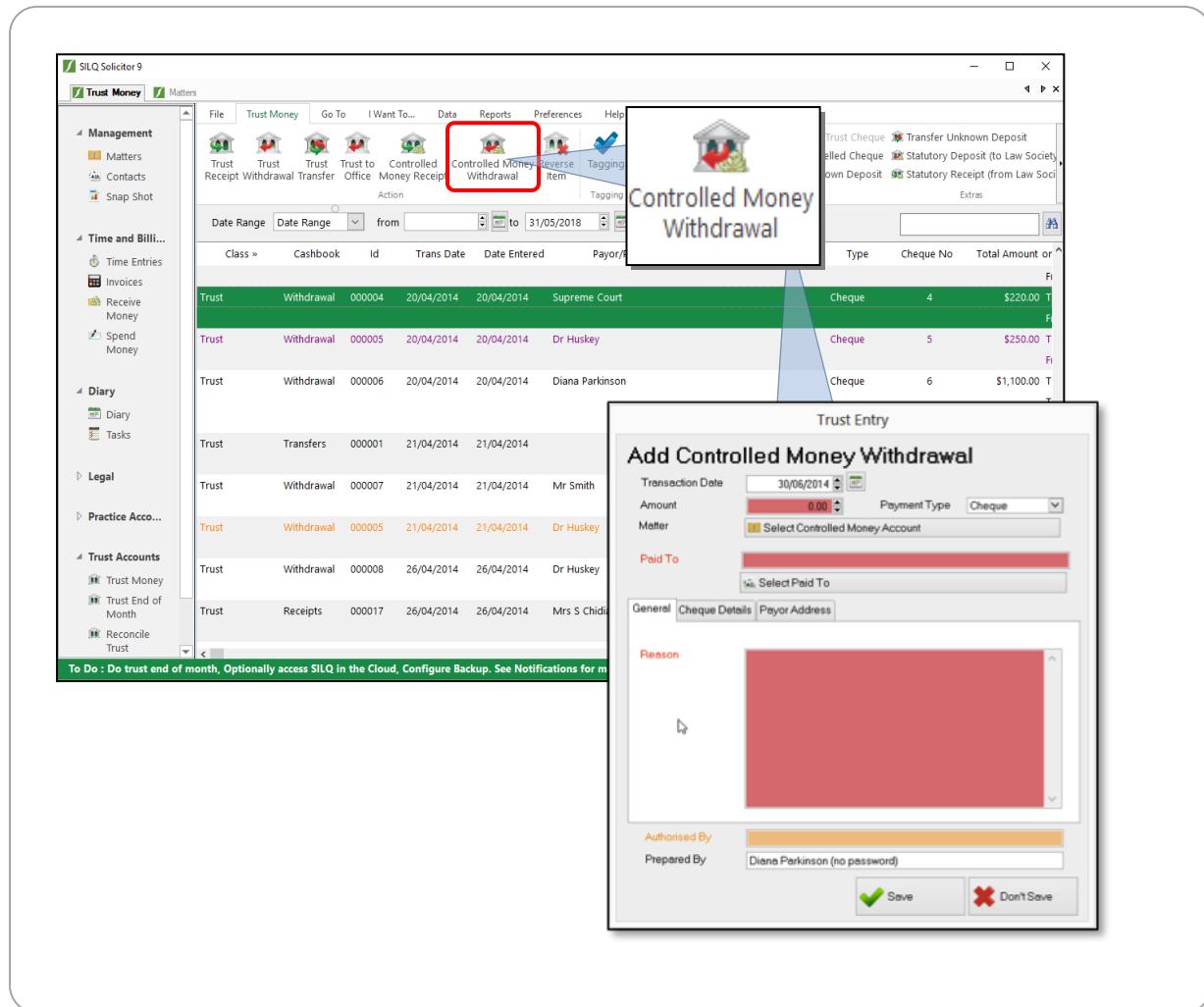


Any entries incorrectly entered into SILQ cannot be undone; they must be reversed. This is to ensure a correct audit trail for the trust account. By clicking Yes to the message, you will proceed to the print screen page. All transactions then need to be printed in hard copy.



You will be presented Controlled Money Receipt as a PDF saved in Matter Folder. You can choose to print this if it's required.

2.4 Controlled Money Withdrawal



To enter a Controlled Money withdrawal into SILQ Solicitor, click on the **Controlled Money Withdrawal** button on the sidebar in the Trust Money window. You will then be presented with the Add Controlled Money Withdrawal window as per the example above.

Again, you'll notice all the RED fields are mandatory and need to be filled in, and suggested fields are highlighted in Orange.

- **Transaction Date:** Will autofill
- **Amount:** Enter the amount of money you wish to withdrawal from appropriate Controlled Money account
- **Payment Type:** Choose either Cheque, EFT or Bank which is used for interest, fees and charges etc
- **Payer:** This is the party that the controlled money is being paid too

2.5 Add a Controlled Money Withdrawal transaction

The screenshot displays the 'Add Controlled Money Withdrawal' transaction entry screen. The form includes fields for Transaction Date (30/06/2014), Amount (\$12,460.00), Payment Type (Cheque), Matter (Selected Controlled Money Account), Paid To (Office of state revenue), and Reason (Stamp duty payable on property transaction for Georgio Matter for purchase of property at 1350 New Road, Sydney). The 'Save' button is highlighted with a red box.

A Controlled Money withdrawal is entered similarly to a Trust withdrawal.

The following information has been entered in the example above for a Controlled Money withdrawal.

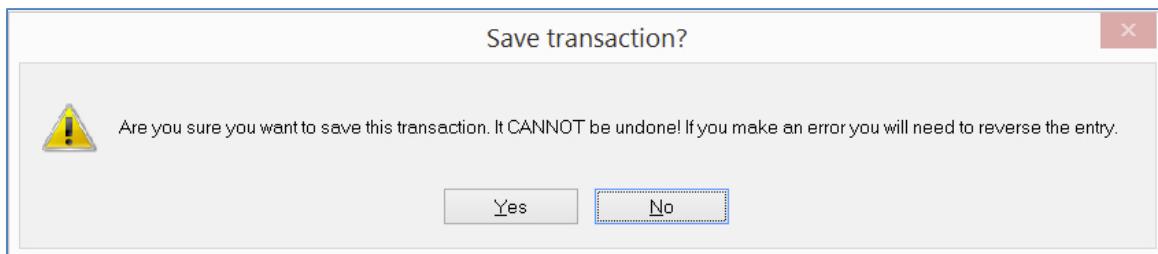
- **Transaction Date:** Will auto-fill
- **Amount:** Enter the amount of money you wish to withdraw. In the example \$12,460 has been entered
- **Payment Type:** Options are Cheque, EFT or Bank which is used for interest, fees and charges etc.
- **Matter:** Click on the matter icon and link to an existing matter. In the example above, the Georgio matter has been selected
- **Payer:** Who the money is being payed to
- **In the General Tab, complete the Reason:** This free form field allows you to type in FREEFORM the reason as to why this money is being withdrawn from the Controlled money account. In the example above, it is funds being issued to the Office of state revenue for Stamp Duty for a property transaction
- **Authorised by:** (this field allows you to enter how authorised this transaction – usually the responsible solicitor)
- **Prepared by:** (this field will auto-fill, but will only need to be changed if not correct)

Manual 5: Trust Accounting

Next depending on whether you selected the payment type of Cheque or EFT, you will need to click on the Payment Type Tab and enter in the appropriate details. To see how to do this, refer to pages 16 and 17.

Once you have entered all the details into the trust withdrawal window, click **Save**.

The following message will then appear.

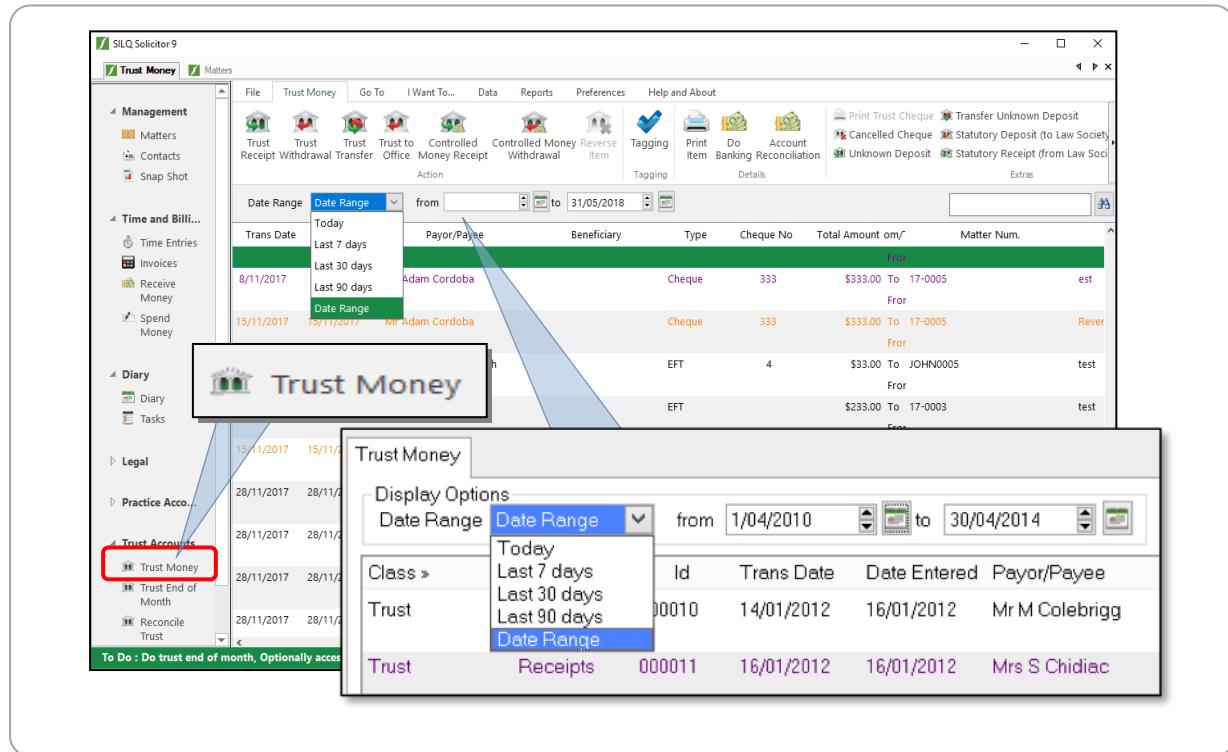


Any entries incorrectly entered into SILQ cannot be undone; they must be reversed. This is to ensure a correct audit trail for the trust account. By clicking Yes to the message, you will proceed to the print screen page. All transactions then need to be printed in hard copy.

A screenshot of Adobe Acrobat Reader DC showing two PDF documents. The top document is titled "DIANA PARKINSON & ASSOCIATES CONTROLLED MONEY CHEQUE WITHDRAWAL REQUEST" and was printed on 13 MAY 2018 at 15:21:18. It details a withdrawal of \$12,460.00 from a controlled money account to the Office of State Revenue. The bottom document is identical in title and date (31 MAR 2012 at 16:13:41), but lists a different recipient: Wanecke McKeon Dwyer. Both documents include client/reason information and stamp duty payable details. A blue arrow points from the text "You will be presented Controlled Money Withdrawal Request as a PDF saved in Matter Folder. You can choose to print this if it's required." to the bottom document.

You will be presented Controlled Money Withdrawal Request as a PDF saved in Matter Folder. You can choose to print this if it's required.

2.6 Reversing Items



After you have entered a trust transaction it can't be undone, so if you make a mistake you will need to 'reverse' the data you entered in SILQ. A Trust Receipt or Withdrawal and/or Controlled Money Receipt or Withdrawal cannot simply be deleted. Each mistake must be reversed rather than deleted, so that an audit trail is continuous.

To complete a Reverse Item entry, firstly you must search for the item you wish to reverse.

To do this, navigate to the Trust Money window by clicking on the **Trust Money** button on the left Navigation Toolbar. This will bring you to the **Trust Money** window.

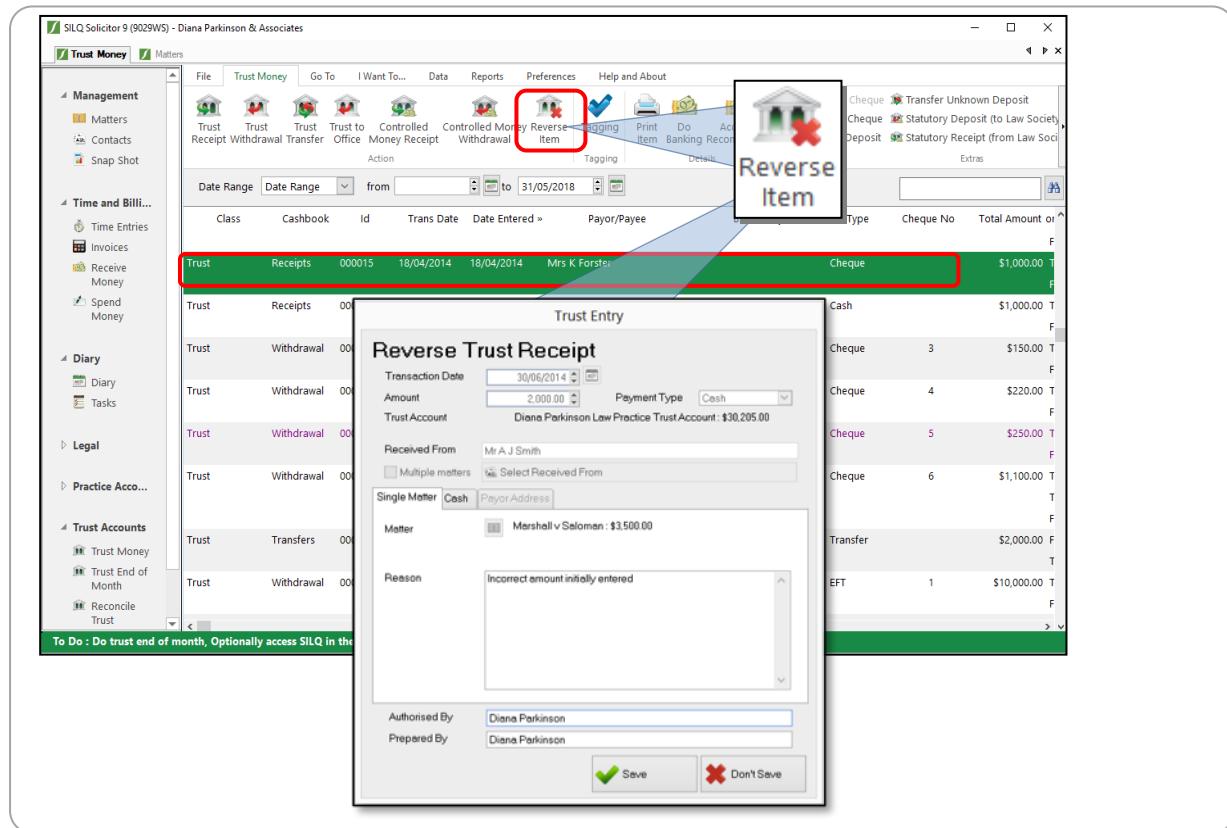
Once you are in the Trust Money window from the Display options section on the top left hand side of the screen you have a selection of search options from the Date range drop down menu.

Your search options include:

- Today (if completed today)
- Last 7 days
- Last 30 days
- Last 90 days (use 7,30 or 90 day date range as appropriate if you are unsure as to the exact date the transaction was initially entered.)
- Date Range (use this date range for a more accurate date range as appropriate)

Select a search option from the drop down menu to locate the item.

2.7 Reverse Trust Receipt



Once you have filtered your search and located the item to reverse, click on it once to highlight it and then from the Top Toolbar click on **Reverse Item**.

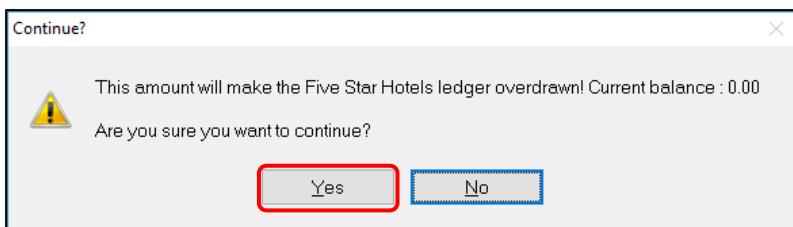
The **Reverse Item** window will open up. In the example above the Trust Receipt entry for an amount of \$15,000 from Mr M Colebrigg is being reversed. (The window displays Reverse Trust Receipt. Depending on what is being reversed the name in the window will change).

Please note, SILQ will not let you complete an item reversal without entering a valid reason, as in the example above – stating that it was an incorrect entry.

Once you have entered a reason, click **Save**.

SILQ will prompt you with the following **Continue?** message if the ledger is going to be overdrawn.

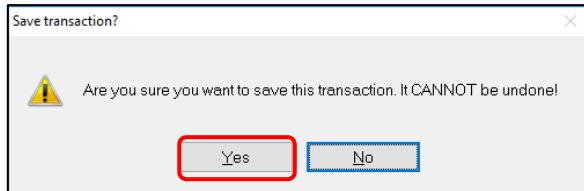
Click **Yes** to continue.



Manual 5: Trust Accounting

Next you will get a message saying that once you save this transaction it can't be undone.

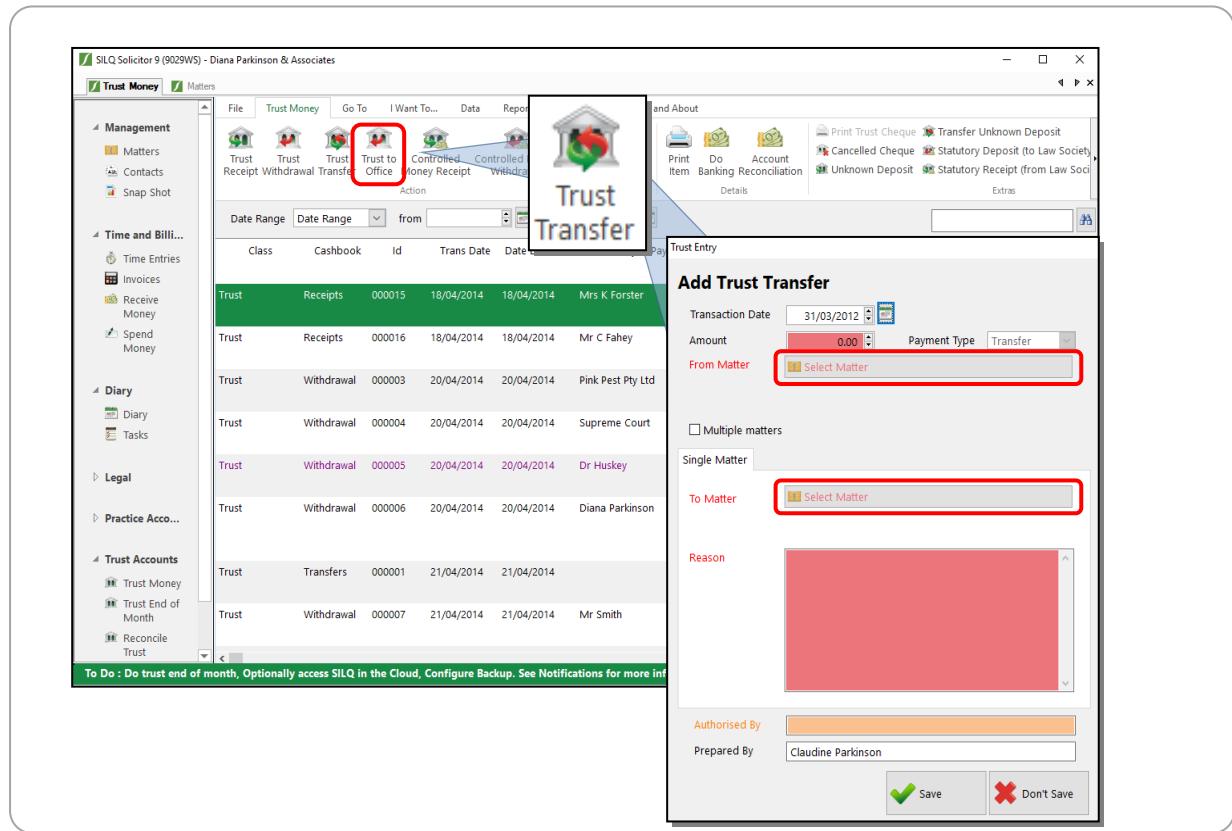
If you are sure you want to proceed, click **Yes**.



In the screen shot below, which is in the main **Trust Money** window, the reversed item now appears in the list in purple and the reversing item is orange.

A screenshot of the 'Trust Money' window in the SILQ Solicitor software. The window shows a list of transactions from May 2018. A specific transaction on May 13, 2018, is highlighted with a red box. This transaction is a 'Receipts' entry for \$1,000.00, payee 'Mrs K Forster', and type 'Cheque'. The row is colored purple, indicating it is a reversed item. To its left, another transaction is shown in orange, indicating it is the reversing item.

2.8 Trust Transfer



If you need to transfer trust money from one matter to another matter, this can be done through the **Trust Transfer** window.

Clicking on the **Trust Transfer** button on the Top Toolbar will open up the **Trust Transfer** window.

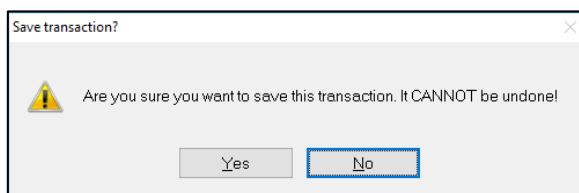
You will need to enter the Amount you want to transfer into the **Amount** field, and then click on the first **Select Matter** button to choose the matter you want to transfer the money from, and then you need to click on the second **Select Matter** button to choose which matter you want to transfer the money to.

Next enter a reason into the **Reason** field as to why you are transferring the money.

Click on **Save**.

Next you will get a message saying that once you save this transaction it can't be undone.

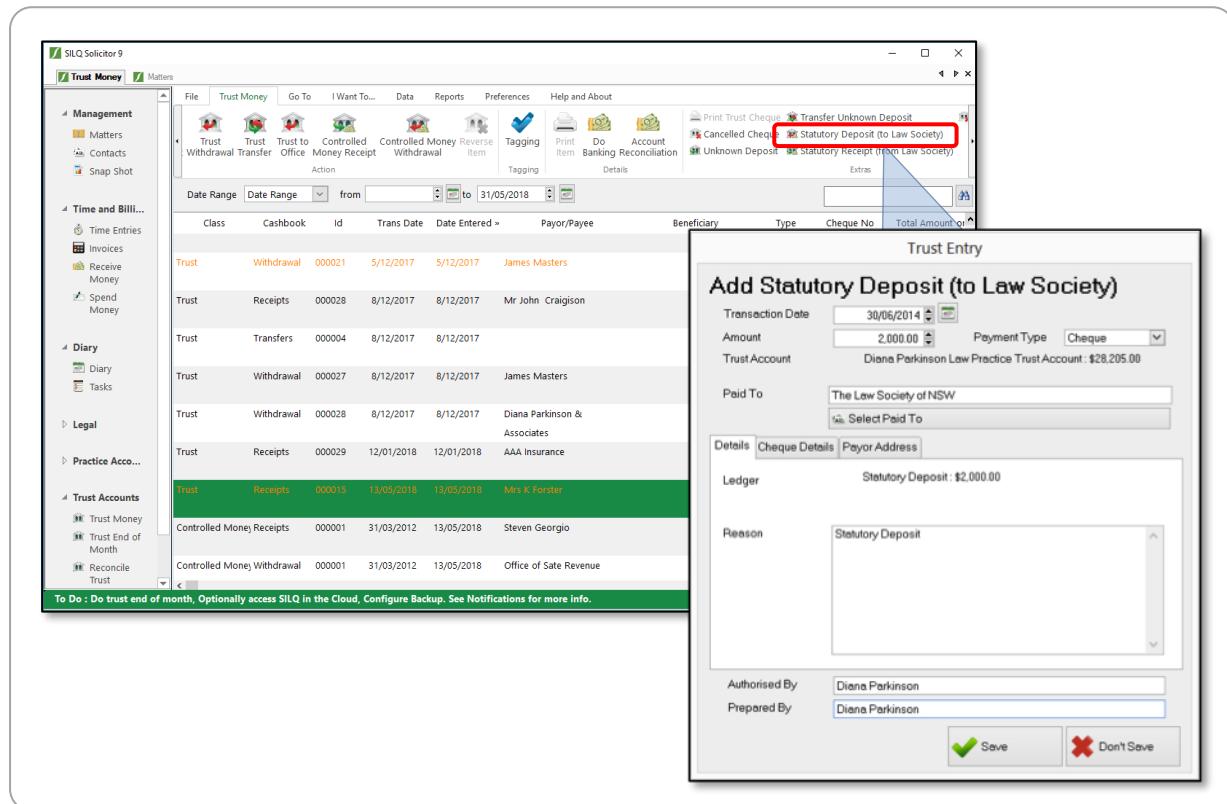
If you are sure you want to proceed, click **Yes**.



Next, a **Trust Account Transfer** request report will open up which you can print out.

3. Statutory Deposits and Receipts

3.1 Entering a Statutory Deposit (Add Statutory Withdrawal)



To add a Statutory Deposit into SILQ do the following:

First navigate to the **Trust Money** window, then click on **Statutory Deposit (to Law Society)** in the Extras section of the Top Toolbar. This will open up the **Add Statutory Withdrawal** Window. In this window you are essentially entering a transfer of funds to the Law Society by completing this transaction.

The **Add Statutory Withdrawal** Window has a number of fields that need to be filled in.

The following information has been entered in the example above:

- Transaction Date:** Will auto-fill
- Amount:** Enter the amount of money you wish to transfer to the Law Society, \$2,000 has been added in the example above
- Trust Account:** This will auto-fill from your Trust account
- Payment Type:** Options are Cheque or EFT
- Payee:** This field will need to be completed; in the example above **The Law Society of NSW** has been added.

Add Statutory Withdrawal – Details Tab

Reason: Enter the reason in the free form field. **Statutory Deposit** has been entered in the example above.

- Authorised By:** Complete as required
- Prepared By:** Will auto-fill

There are two different payment types that SILQ will allow you to record.

- Cheque
- EFT

Payment Type	Cheque
	Cheque
	EFT

Depending on which payment type you choose, the payment details tab will dynamically generate the appropriate fields for you to fill in for the given payment type you choose in the trust withdrawal window.

Entering Cheque and EFT details for an Add Statutory Withdrawal

Next depending on whether you selected the payment type of Cheque or EFT, you will need to click on the Payment Type Tab and enter in the appropriate details. To see how to do this, refer to pages 16 and 17.

3.2 Entering an Add Statutory Receipt

To add a Statutory Receipt into SILQ do the following:

First navigate to the **Trust Money** window, then click on **Statutory Receipt (from Law Society)** in the Extras section of the Top Toolbar. This will open up the **Add Statutory Receipt** Window. In this window you are essentially entering a transfer of funds from the Law Society by completing this transaction.

When receiving monies back into your Trust Account via a Statutory Receipt, the procedure is exactly the same as the procedure for entering a Statutory Withdrawal, but in reverse.

However, please note: the window that SILQ will open for you is titled Add Statutory Receipt. Refer to page 34 to see how to enter the details in this window.

An example of this window can be seen below.

The screenshot shows the 'Add Statutory Receipt (from Law Society)' window. Key visible information includes:

- Transaction Date:** 30/06/2014
- Amount:** 2,000.00
- Payment Type:** Cheque
- Received From:** The Law Society of NSW
- Ledger:** Statutory Deposit: \$2,000.00
- Reason:** Statutory Deposit
- Authorised By:** Diana Parkinson
- Prepared By:** Diana Parkinson
- Buttons:** Save (green checkmark) and Don't Save (red X)

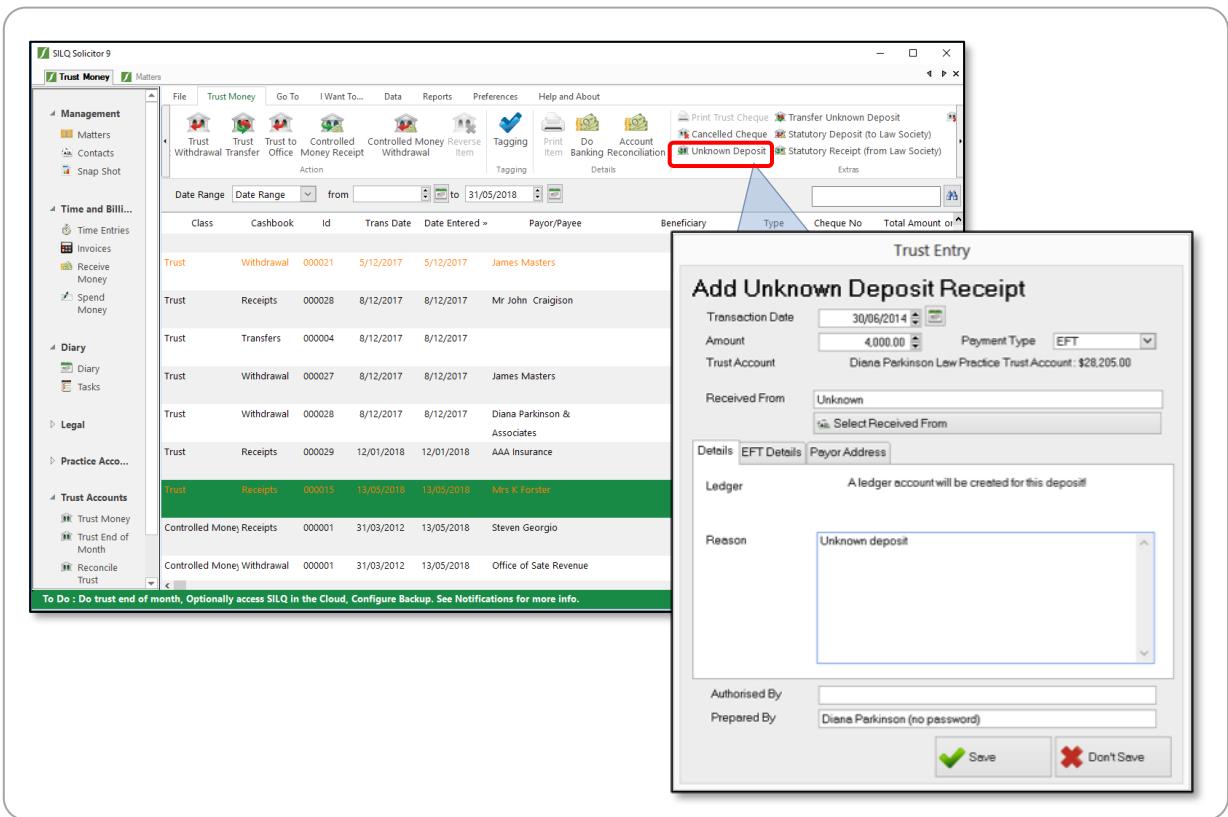


4. Entering and Transferring Unknown Deposits

Overview

- From time to time, unknown amounts of monies may be deposited into your Trust or regular bank accounts, and it is important to enter these transactions directly into SILQ. However, because they are 'unknown', there is no Matter to directly link them to, no reasons or limited bank details to enter.
- For that reason, you can enter and then later transfer an Unknown Deposit when the correct details about the depositor and associated matter are revealed.

4.1 Add Unknown Deposit Receipt



To add an Unknown Deposit receipt into SILQ do the following:

First navigate to the **Trust Money** window, then click on **Unknown Deposit** in the Extras section in the Top Toolbar. This will open up the **Add Unknown Deposit Receipt** Window.

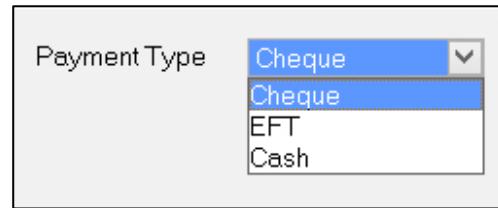
The **Add Unknown Deposit Receipt** Window has a number of fields that need to be filled in.

The following information has been entered in the example on the previous page:

- **Transaction Date:** Will auto-fill (however should add the actual date it was received into the account)
- **Amount:** Enter the amount of unknown monies that was deposited. In the example above \$4000 has been entered.
- **Trust Account:** This will auto-fill from your Trust account
- **Payment Type:** The options are Cheque, EFT or Cash
- **Received From:** If you know the name of the unknown depositor, enter in this field
- **Reason:** Can add additional detail
- **Authorised by:** Change as necessary
- **Prepared By:** Will auto-fill

There are three different payment types that SILQ will allow you to record.

- Cheque
- EFT
- Cash

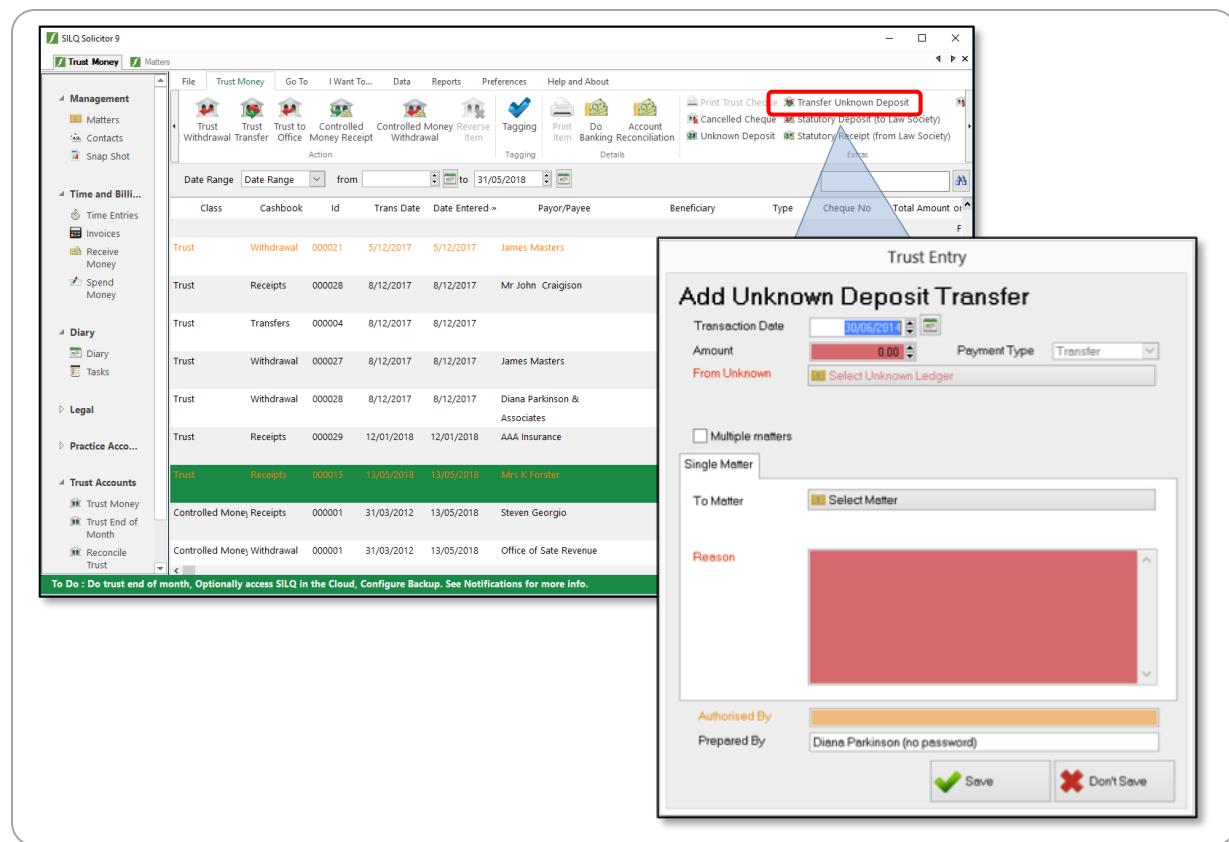


Depending on which payment type you choose, the payment details tab will dynamically generate the appropriate fields for you to fill in for you given payment type you choose in the Add Unknown Deposit Receipt Window.

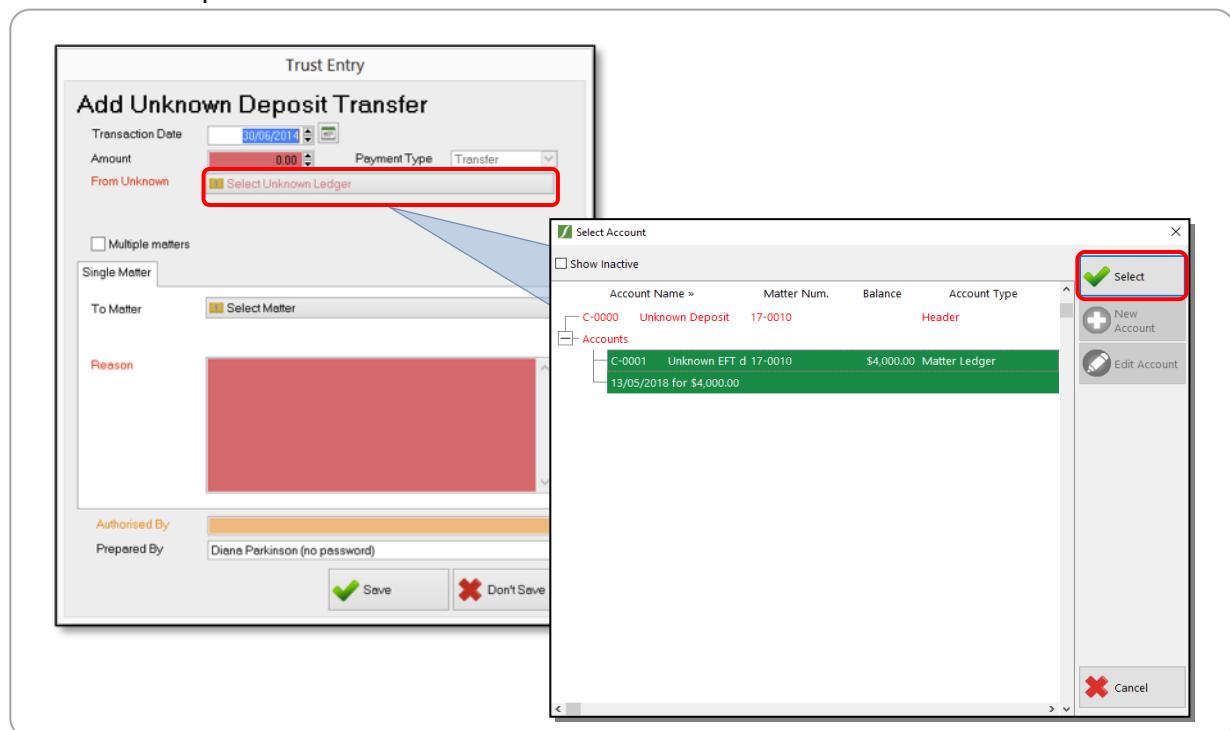
Entering Cheque, EFT and Cash details for an Add Unknown Deposit Receipt

Next depending on whether you selected the payment type of Cheque or EFT, you will need to click on the Payment Type Tab and enter in the appropriate details. To see how to do this, refer to pages 9 - 11.

4.2 Transferring Unknown Deposits



When the previously Unknown Deposit/s is traced back to the source of the depositor and the subsequent Matter it is to be linked to, the example above illustrates how to transfer the Unknown Deposit monies in SILQ.



To transfer Unknown Deposits to the correct Matter in SILQ, do the following:

First navigate to the **Trust Money** window, and then click on **Transfer Unknown Deposit** in the Extras section of the Top Toolbar. This will open up the **Add Unknown Deposit Receipt Window**.

The **Add Unknown Deposit Transfer** Window has a number of fields that need to be filled in.

The following fields need to be filled in as can be seen in the example above:

- **Transaction Date:** Will auto-fill (however should enter the actual date it was resolved)
- **Amount:** Enter the amount of unknown monies that was deposited
- **From Unknown:** Select the Unknown Deposit Ledger (this will have been automatically created when you added the Unknown Deposit)
- **Multiple Matters:** Tick this check box if the monies received related to more than one matter. You can enter as many matters as required.
- **To Matter:** Add to the correct Matter
- **Reason:** Briefly put an explanation in this field
- **Authorised by:** Change as necessary
- **Prepared By:** Will auto-fill

When clicking the **Select Unknown Ledger** Button, the **Select Account** window will appear which will trace the unknown deposit for you to transfer to the correct matter.

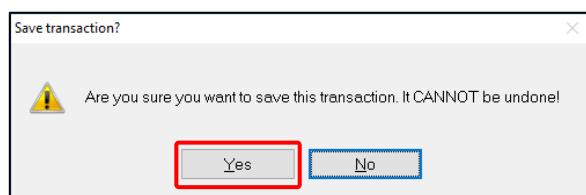
Click on the unknown deposit and then click on the **Select** button.

Next click on the **Select Matter** button and then the Select Matter window will open up. In the example above, the County Industries matter has been selected. By selecting this Matter, the unknown monies will now be transferred to the correct Matter. Click on the **Select** button once you have chosen the correct matter.

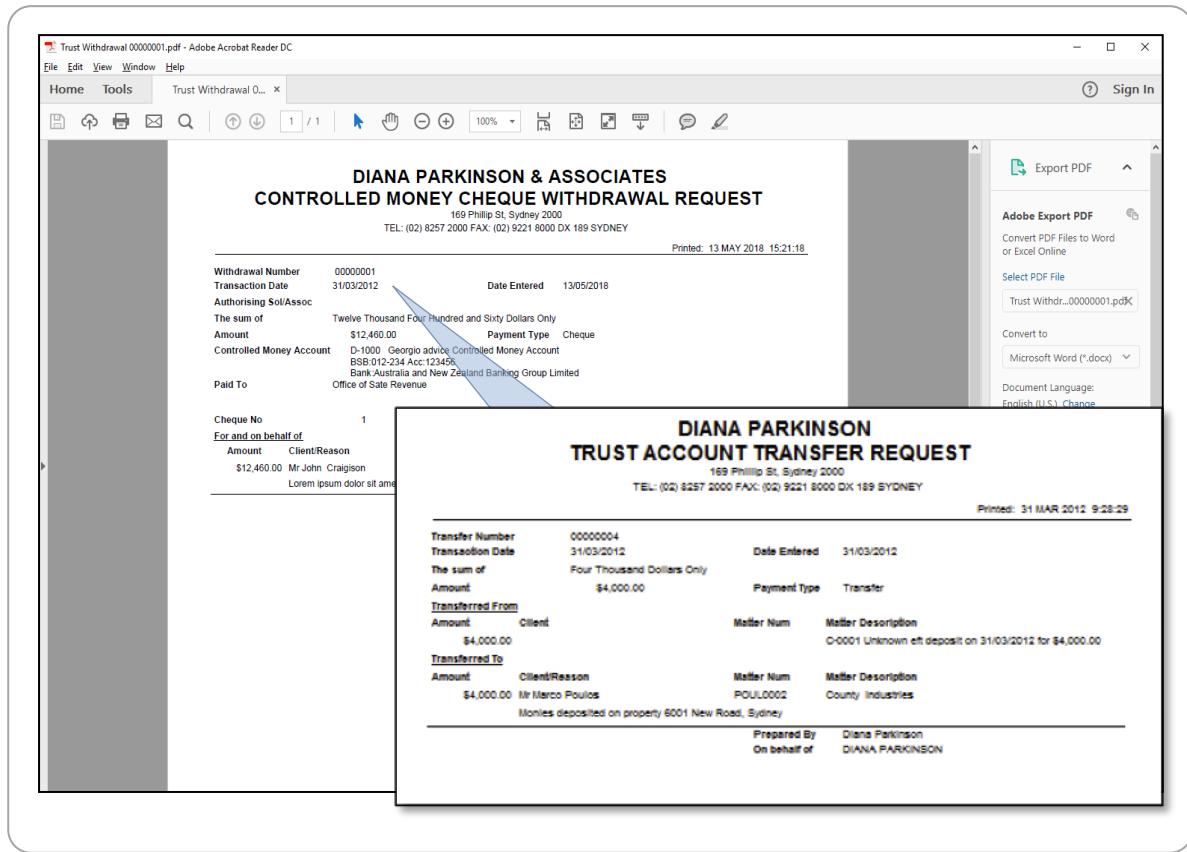
Lastly enter a **Reason** for the Unknown Deposit Transfer and fill in the **Authorised By** field. Next click on **Save**.

Next you will get a message saying that once you save this transaction it can't be undone.

If you are sure you want to proceed, click **Yes**.

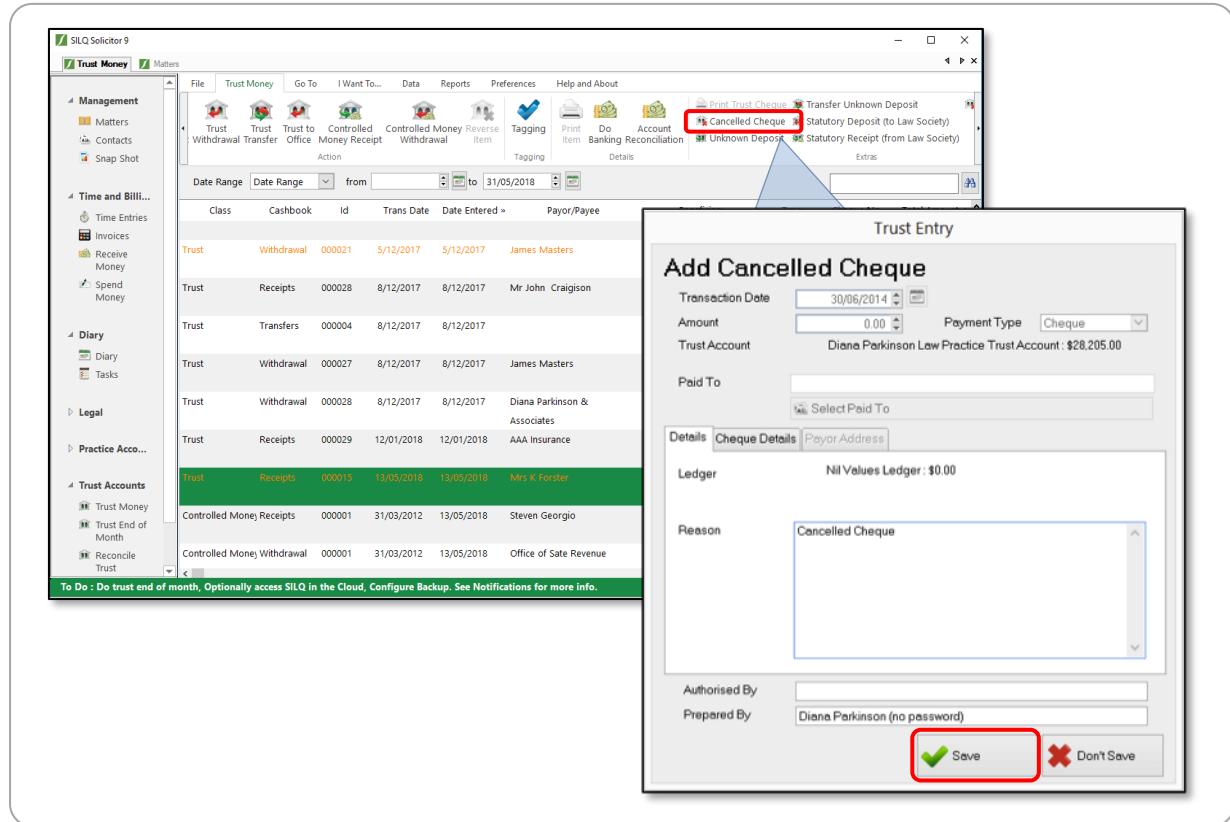


Manual 5: Trust Accounting



You will be presented Trust Account Transfer Request as a PDF saved in Matter Folder.
You can choose to print this if it's required.

4.3 Cancelled Cheques



Occasionally you may need to cancel a cheque, for example such as a mistake that was made completing the cheque. SILQ gives you the functionality to record (for audit purposes) each cancelled cheque that you have completed, so that you may have a record of every single cheque number, whether issued or not.

To cancel a cheque in SILQ, do the following:

First navigate to the **Trust Money** window, and then click on the **Trust Menu** at the top of the screen and from the drop down menu click on **Cancelled Cheque**. This will open up the **Add Cancelled Cheque** Window.

The following fields need to be filled in as can be seen in the example above:

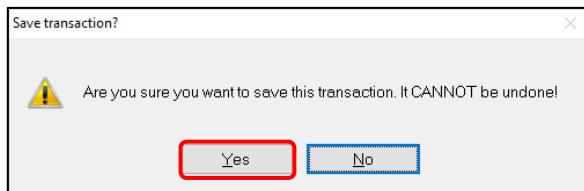
- **Transaction Date:** Will auto-fill (however should add the actual date it occurred)
- **Amount:** This will not allow you to enter an amount and will be blocked out (obviously, because you are not entering a physical amount of money into SILQ).
- **Reason:** Be as descriptive in here as possible. Why was the cheque cancelled? For an example, refer to the screen shots above.
- **Authorised By:** Change as necessary
- **Prepared By:** Will auto-fill

Once you have filled in all the fields, click **Save**.

Manual 5: Trust Accounting

Next you will get a message saying that once you save this transaction it can't be undone.

If you are sure you want to proceed, click **Yes**.



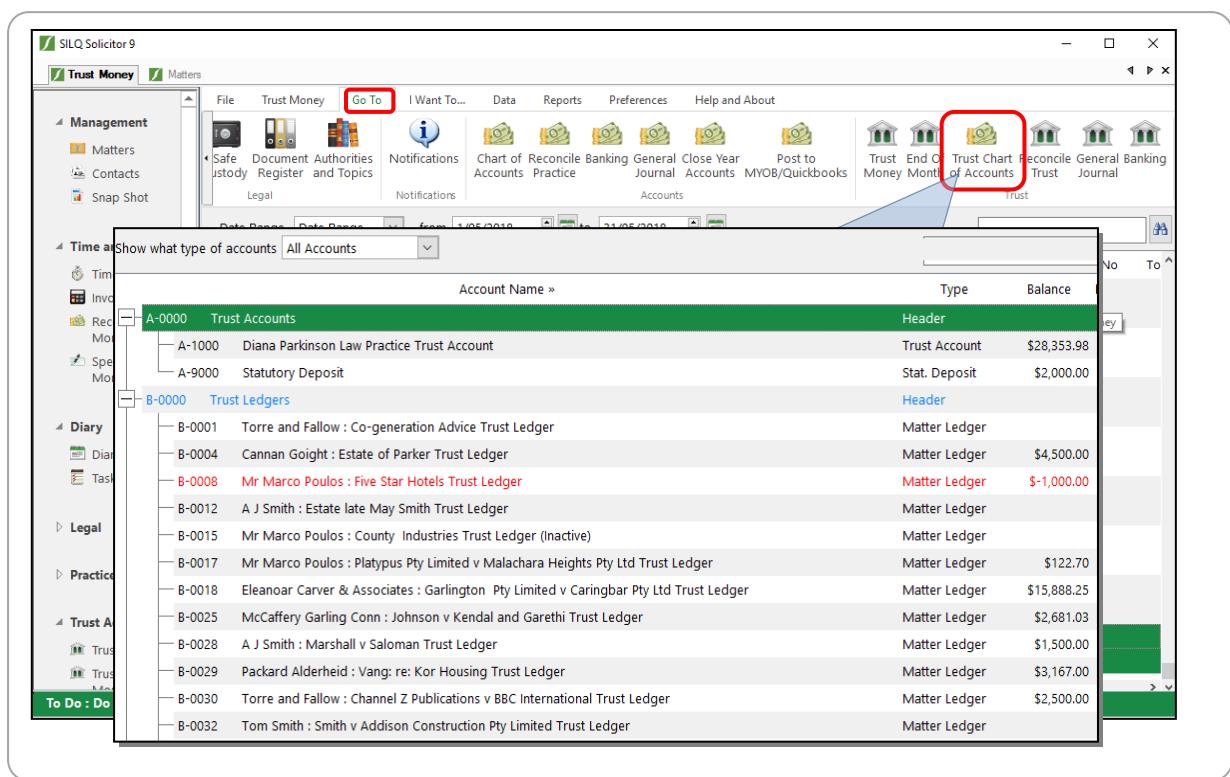
A screenshot of a PDF document titled 'DIANA PARKINSON & ASSOCIATES CONTROLLED MONEY CHEQUE WITHDRAWAL REQUEST'. The document includes details such as withdrawal number 0000001, transaction date 31/03/2012, authorising solicitor Diana Parkinson, amount \$12,460.00, and payee Mr John Craigison. Below this, there is another form titled 'TRUST ACCOUNT CHEQUE WITHDRAWAL REQUEST' with similar fields. The PDF is viewed in Adobe Acrobat Reader DC, showing standard toolbar options like File, Edit, View, Window, Help, Home, Tools, and various document manipulation tools.

You will be presented with the above document as a PDF saved in Matter Folder. You can choose to print this if it's required.

5. Trust Accounting Chart of Accounts

Overview

- The Trust Accounting Chart of Accounts is the list of ledger accounts used to track the trust information in your practice and produce trust reports.
- The Trust Accounting Chart of Accounts is a way of reconciling all transactions incoming and outgoing and getting an holistic view.
- The accounts are arranged into 5 different header codes: Trust Accounts, Trust Ledgers, Unknown Deposit Accounts, Controlled Money Accounts and Controlled Money ledgers.



Click on the Go To menu then click on **Trust Chart of Accounts**. This will take you to the **Trust Chart of Accounts** Window.

From here you can do a range of financial reporting transactions.

You can:

- View outgoing transactions for your Trust Accounts and reconcile for accuracy
- Add Controlled Money Accounts
- View balances
- Do Bank Reconciliations

5.1 The five types of Trust Accounting Chart of Accounts

There are FIVE different Trust Accounting Chart of Accounts header codes and they will all auto generate dependant upon the type of Trust related transaction you enter into SILQ.

They are listed below with a brief overview of each header account's purpose.

A. Trust Accounts

This is the total amount of funds balance currently sitting within the Trust Account.
Statutory Deposit information sourced here.

B. Trust Ledgers

There is a trust ledger for each matter that has had a trust transaction. (**Refer to Trust Transaction Dating and Trust Money Recording on page 66**)

C. Unknown Deposit Accounts

This is to be used when unknown monies are deposited into your bank accounts. It is kept in this account header until the funds can be identified (and then they will be transferred to the appropriate Matter).

D. Controlled Money Accounts

This represents the bank accounts being created and used for Controlled Money purposes.

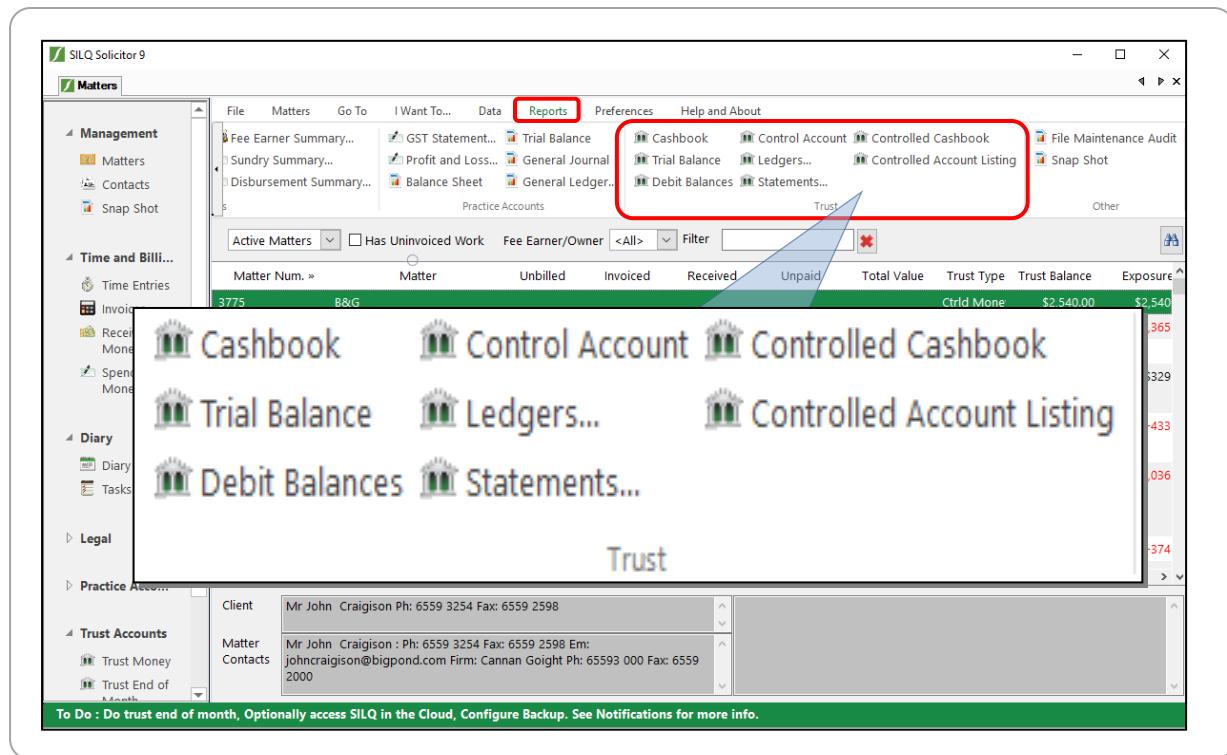
These are the only accounts you can add yourself.

E. Controlled Money ledgers

This will be automatically created by SILQ and is the associated ledger account for a Controlled Money Account that you have created.

6. Trust Reporting

6.1 How to run a Trust Report or Controlled Money report



Click on the **Reports** Menu at the top of the screen and locate the **Trust** section. This section contains the Trust Money and Controlled Money reports you can run. Refer to the screen shot above.

The following reports are available for you to reconcile your trust and controlled money accounts.

- Cashbook
- Trial Balance
- Debit Balances
- Control Account
- Ledgers...
- Statements...
- Controlled Cashbook
- Controlled Account Listing

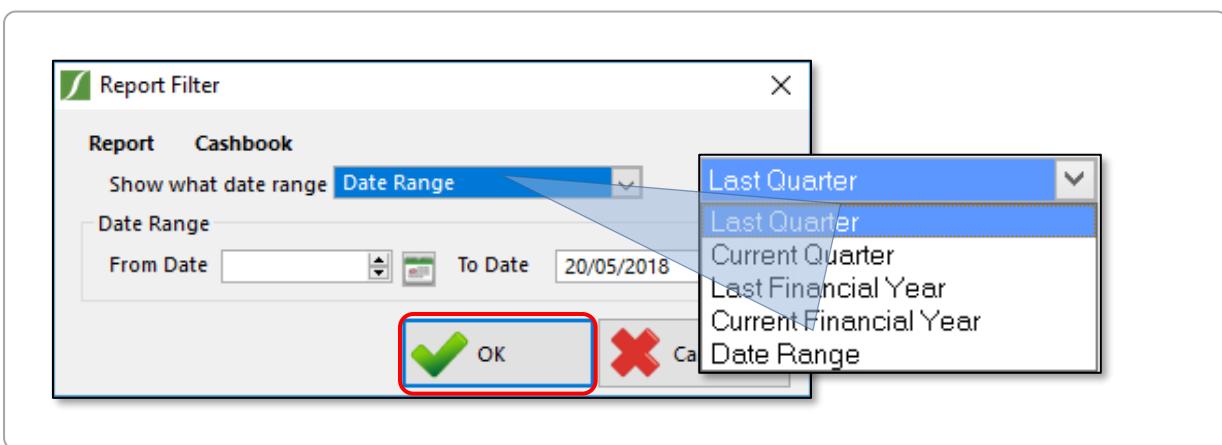
NB: Ledgers and Statements are dropdown menus with more reports

Ledgers...

- Statutory Deposit Ledger
- Trust Transfer Journal
- Multiple Mettler Ledgers
- Individual Matter Ledger
- Multiple Unknown Deposit Ledgers
- Individual Unknown Deposit Ledger
- Multiple controlled Money Ledgers
- Individual Controlled Money Ledger

Statements...

- Multiple Trust Statements
- Individual Trust Statement
- Multiple Controlled Money Statements
- Individual Controlled Money Statements



Once you have selected a report to run, the **Report Filter** above will appear. You have a range of sorting options from the Show what date range drop down menu.

These include:

- **Date Range:** Select the date range you wish to view the report for.
- **Last Quarter**
- **Current Quarter**
- **Last Financial Year**
- **This Financial Year**

Once you have selected a date range, click on the **OK** button and the report will be generated and will open up to view or print.

6.2 Trust Report Definitions

Note: When these reports are run from the reports menu, they will have a heading displayed as an **Interim** report. Only when these reports are run when after completing an End of Month they will have a heading displayed as **Final** report.

Cash Book

This report contains all transactions for the Trust Account for a selected period. It is broken down into deposits and withdrawals.

Control Account

This report contains all transactions for the Trust Account Ledger for a selected period. It is broken down into debit amounts and credit amounts.

Statutory Deposit Ledger Control Account

This report contains all transactions for the Statutory Deposit Ledger for a selected period. It is broken down into debit amounts and credit amounts.

Trial Balance

This is a list of all matter ledgers in the Trust Account system with respective balances, displayed in account number order. The total shows you how much you have in trust for all your clients.

Trust Transfer Journal

This report shows you all transfers within the Trust Account where money has been transferred from one matter to another.

Debit Balance

This report will display all transactions that resulted in the balance of the Trust Account or an individual matter ledger falling below a zero dollar balance. This includes deposits where the balance after the deposit is still less than zero.

Multiple Matter Ledgers and Individual Matter Ledgers

To display transactions regarding both Multiple Matters and Individual Matters, the same procedure is required.

Individual and Multiple Trust Statements

These reports will give you the option to either select one or multiple matters at once and produce a matter statement for each of the selected matters. It will show a listing of all transactions for multiple matters that are selected for a given date range.

Multiple Unknown Deposit Ledgers and Individual Unknown Deposit Ledger

This report will give you the option to select either one or multiple matters at once and see a listing specifically for the unknown deposits that have been received for a given date range for the selected matters.

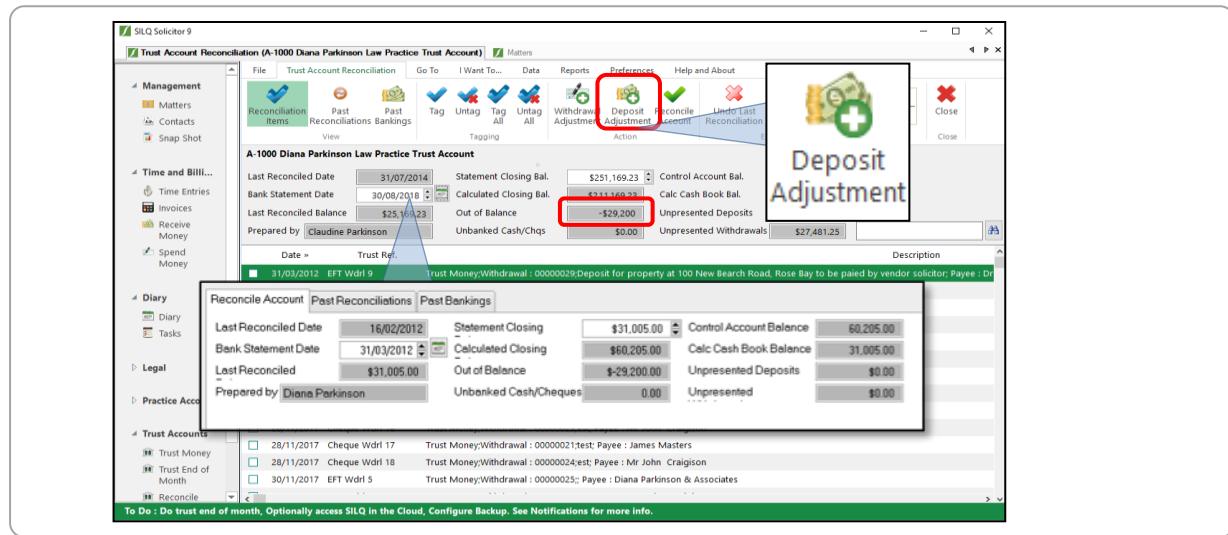
It shows the debit and credit entries that have occurred, what date they occurred and other details such as the description, whether it was a multi item and what payment type was used.

7. Deposit Adjustments and Withdrawals

Overview

- Deposit and Withdrawal adjustments need to be completed during Trust Reconciliations when unreconciled amounts of money overlap at the end of the month.
- For example: If you had received an amount of money into your Trust Account on the 29th of February, but you did not 'notice' it until the 5th of the following month, you would need to do an adjustment in SILQ to make sure it appears in the correct month being February.
- That money will not 'appear' on the February reconciliation, rather it will 'appear' in the March reconciliation as you would have entered it in March. As a consequence, you would not be able to complete February's reconciliation as it will have missing information and your trust account will show that you are out of balance. In order to get around this, you need to make an adjustment. Then in March, the original transaction will appear, along with the automated reversing adjustment, the two of which counteract each other, and therefore allow you to complete March's reconciliation.

7.1 Completing Deposit Adjustments



Referring to the example above, after tagging all the transactions, SILQ is showing that this trust account is Out of Balance by \$29,200. This is because the \$29,200 entry was only entered into SILQ in April, when it really went in on the 31st of March. Therefore a deposit adjustment needs to be entered.

To do this, click on the **Deposit Adjustment** button on top toolbar.

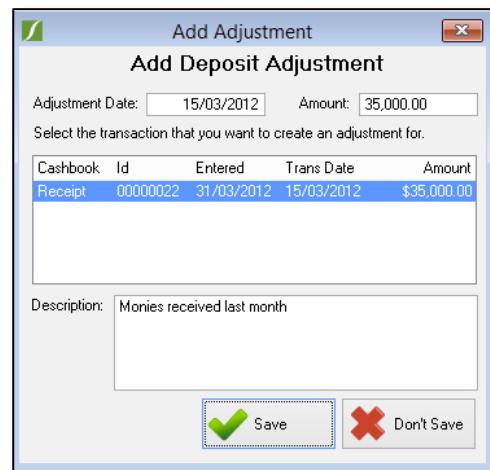
Manual 5: Trust Accounting

After clicking the Deposit Adjustment button, the **Add Deposit Adjustment** window will open up and list all the transactions that you want to make an adjustment for.

When you click on the adjustment that is listed, the Adjustment Date and Amount field will automatically be filled in for you.

You just need to enter a description into the **Description Field** with as much information as possible about the reason why the deposit adjustment is needed

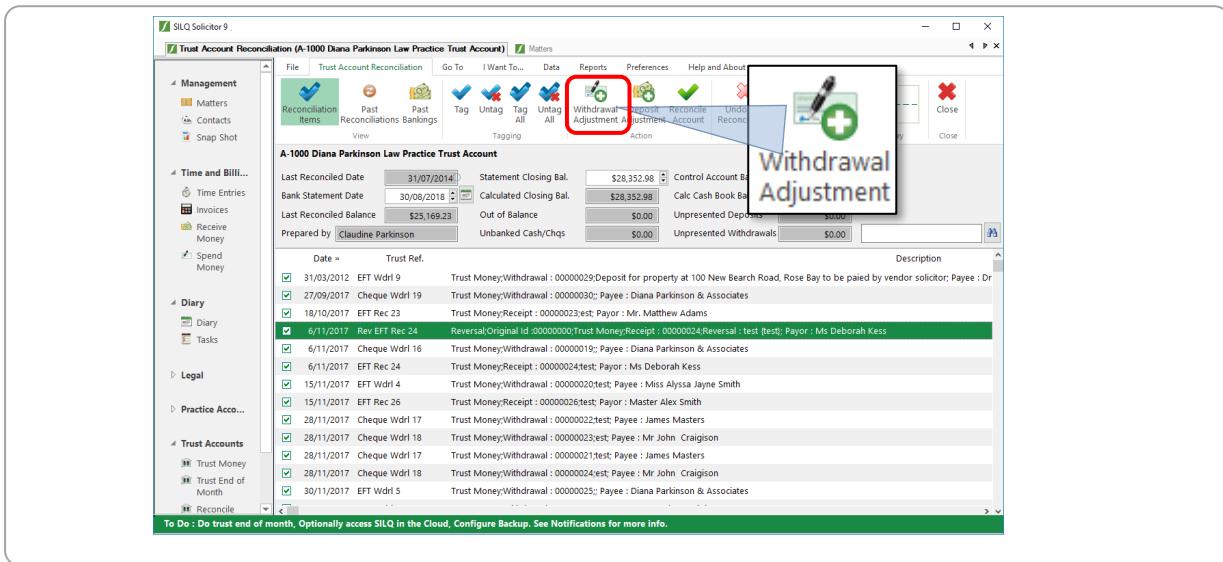
Then click on **Save**.



Date	Trust Ref.	Description
16/02/2012	Cheque Wdrfl 13	Trust Money:Withdrawal 00000015 Land tax outstanding
31/03/2012	Adjustment	Monies received last month
31/03/2012	EFT Rec 22	Trust Money:Receipt: 00000022 Deposit for property
31/03/2012	EFT Rec 23	Trust Money:Receipt: 00000023 Land Tax
31/03/2012	EFT Rec 24	Trust Money:Receipt: 00000024 Money for property purchase
31/03/2012	EFT Rec 25	Trust Money:Receipt: 00000025 Property Land Tax

The adjustment will now appear in the reconciliation window. By ticking it, the trust account will now balance, and you can proceed to reconcile the account by clicking on the Reconcile Account Button in the right-hand side toolbar.

7.2 Completing Withdrawal Adjustments



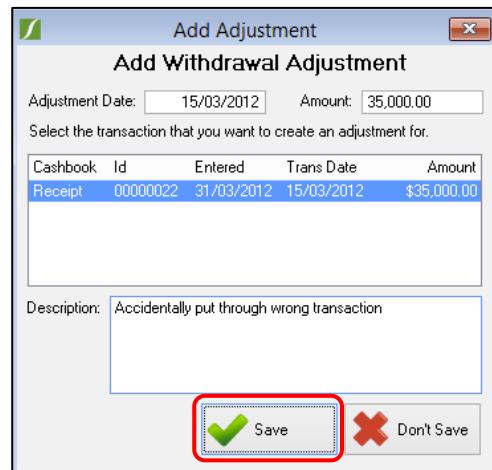
Withdrawal adjustments should be completed if you don't enter a trust withdrawal into SILQ in the month it occurred. The process is the same as a Deposit Adjustment, except you need to click on the **Withdrawal Adjustment** button on top toolbar.

After clicking the Withdrawal Adjustment button, the **Add Withdrawal Adjustment** window will open up and list all the transactions that you want to make an adjustment for.

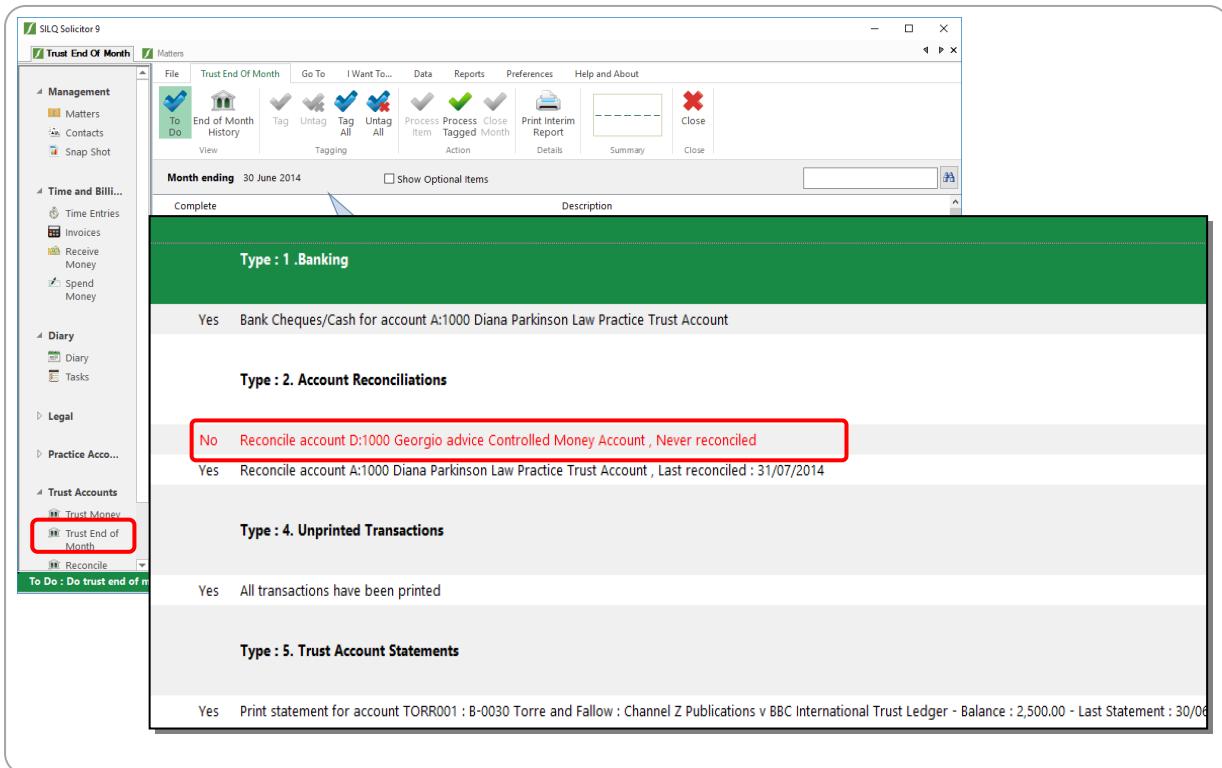
When you click on the adjustment that is listed, the Adjustment Date and Amount field will automatically be filled in for you.

You just need to enter a description into the **Description Field** with as much information as possible about the reason why the withdrawal adjustment is needed.

Then click on **Save**.



7.3 End of Month



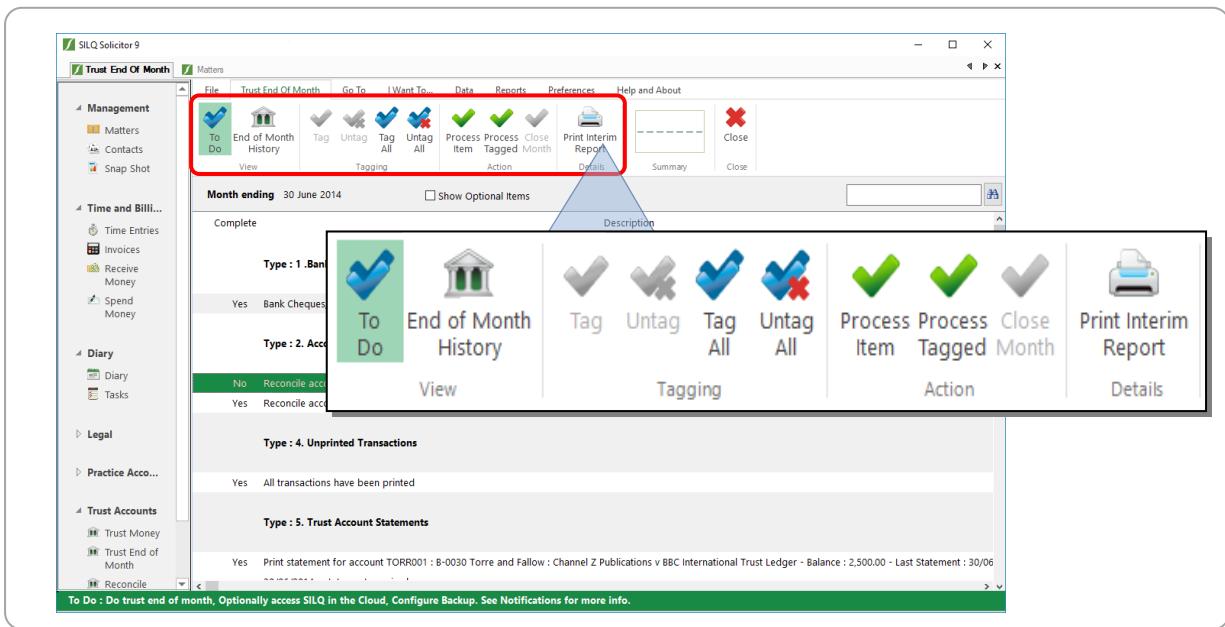
As part of your trust account you must perform an end of month once a calendar month is complete.

To complete an end of month, click on the Go To Menu at the top of the screen and then click on **End of Month** in the Trust section. You will be taken to the **Trust End of Month** window.

You will be presented with the **To Do** Tab, which will display a list of outstanding items you need to complete before you can close your end of month. If the items listed have been successfully completed then there will be a **Yes** in the left hand completed column. If not it will have a **No**.

Outstanding items are displayed in red, such as items, which are yet to be printed. An example can be seen in the screen shot above, where the controlled money account must be reconciled.

7.4 Processing Options Using the Top Toolbar

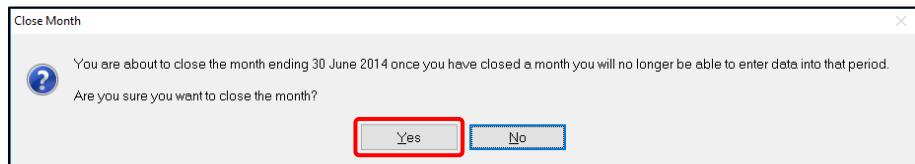


In order to process the outstanding items, you can use the Top Toolbar. A description of each button is below:

- Tag/Untag/Tag All/Untag All:** Use these buttons to select which items you want to process when you click on the Process Tagged button.
- Process Item:** Click on the tick box next to the item you want to process and then click on this button to process the item. It will do whatever needs to be done to complete that item.
- Process Tagged:** Some items can be done in a batch manner, such as printing of transactions, so you can tag the items you want to process and click this button to do them all at once.
- Close Month:** Once you have completed all the To-Do's then click on the Close Month button to close the month. It will then prompt you to print each of the end of month reports.
- Print Interim Report:** Click on this button if you want to print out an interim report prior to closing the month.

Once all the outstanding items have been processed the main window will display all the items with a YES next to them, in which case you can now click on the **Close Month** button.

Once you click on the Close Month button, the following warning message will appear. If you are sure you want to close the month, click on the Yes button.



You will then be prompted to print a variety of different reports.

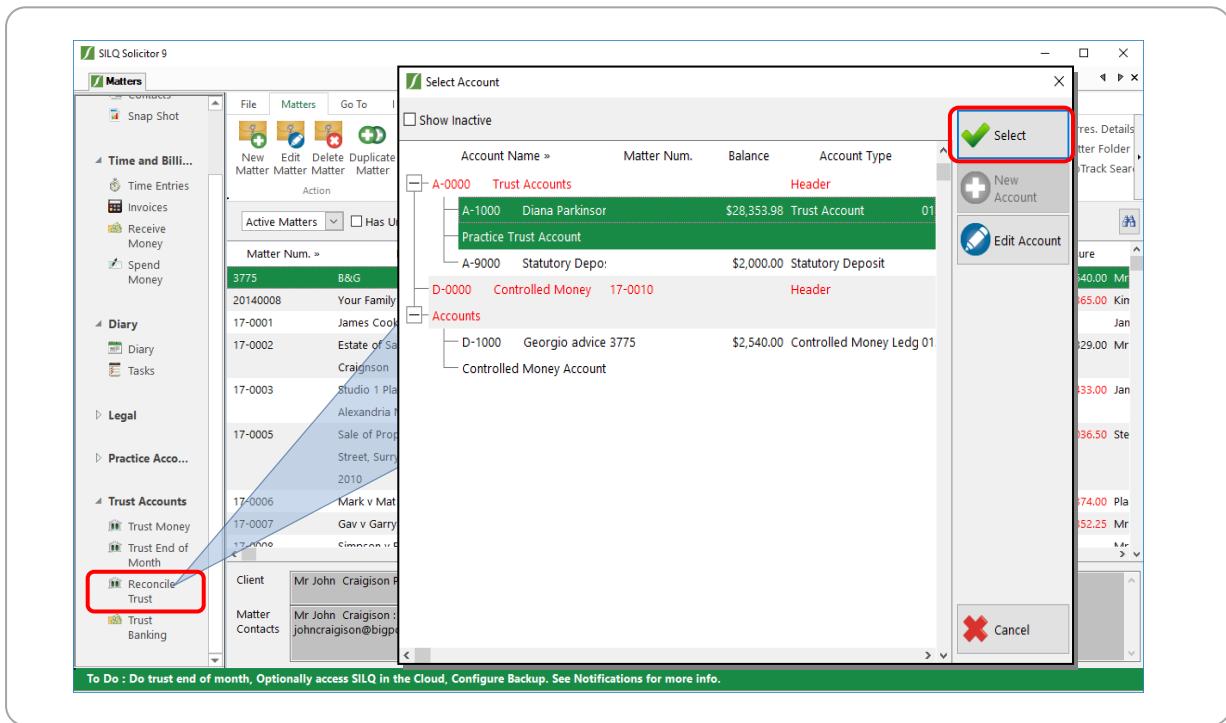
NOTE: If this is the first time you are closing a month on your trust account, you can select a month to close, such as an earlier month for continuity with a previous system. You can choose a month to close from the Display Options drop down menu on the top left-hand side of the **Trust End of Month** window.



8. Trust Account Bank Reconciliations

Overview

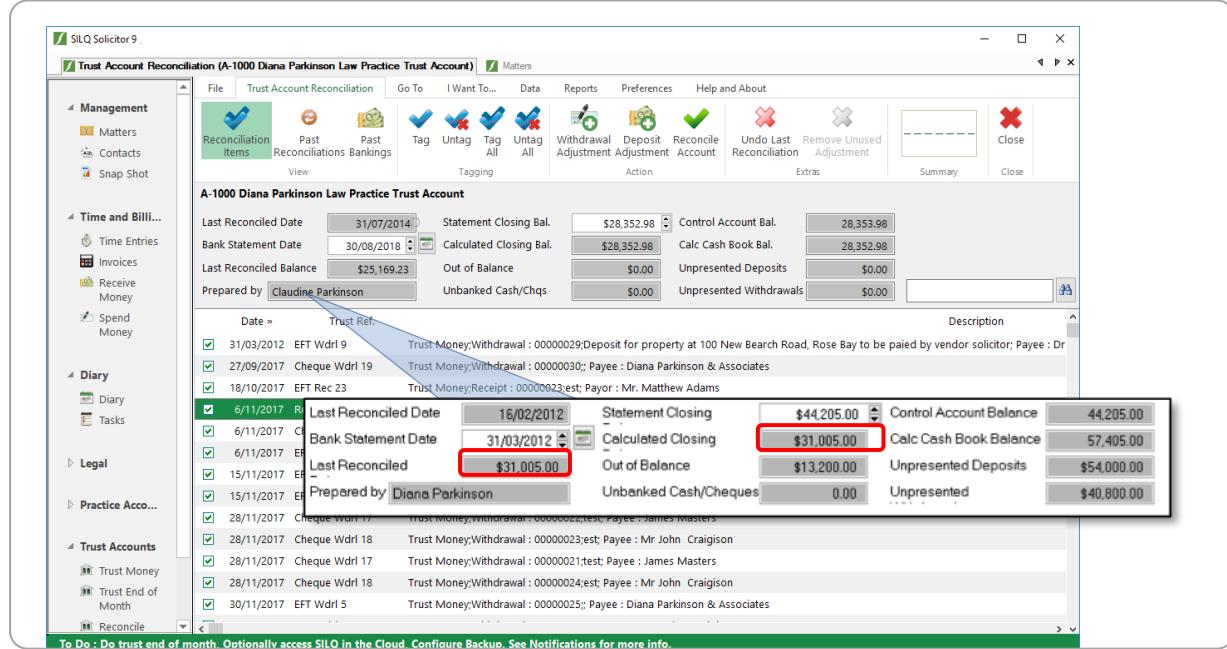
- Trust Account Bank reconciliations must be completed at the end of every month. The Bank Reconciliation is designed to keep track of what has been presented at the bank, compared with what the business thinks is at the bank. It will also reveal transactional discrepancies.
- Deposit adjustments need to be completed in SILQ if transactions are not recorded in real time, which will be covered.
- Deposit withdrawals need to be completed if monies are accidentally attributed to the trust account such as interest earned or fees charged.



To reconcile your trust account, on the **Left Navigation Bar** click on **Reconcile Trust**. Alternatively click on the **Go To** Menu at the top of the screen and from there click on **Reconcile Trust** located in the Trust section.

The **Select Account** window will open up which will allow you to select the trust account to reconcile. Click on the trust account you wish to reconcile and then click on the **Select** button.

Manual 5: Trust Accounting



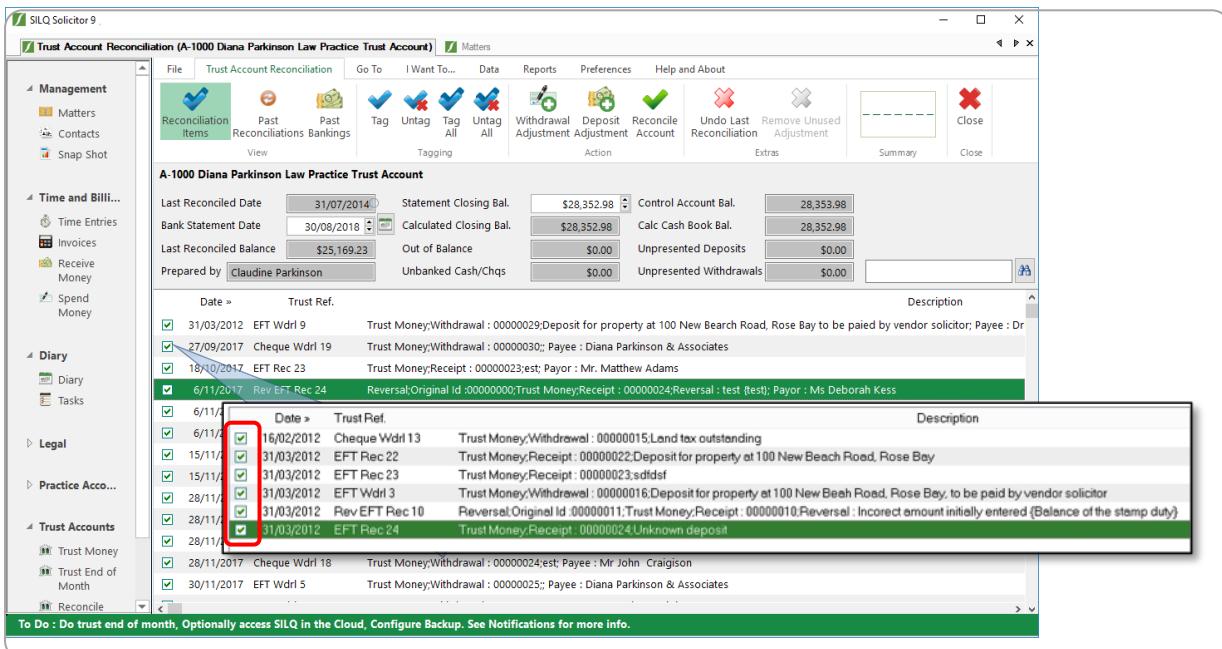
The **Trust Account Reconciliation** window will open up. To begin reconciling your trust account, you first need to have a print out of your trust bank statement in front of you.

Then in the **Reconcile Account** tab on the top left-hand side of the **Trust Account Reconciliation** window, you will need to enter the **Bank Statement Date**. This being the bank statement that is printed out in front of you.

Next enter the **Statement Closing Balance** from your Bank Statement in the reconcile account tab.

The aim of reconciling your trust account is to make sure the your trust account is not out of balance. So the **Out of Balance** field in the Reconcile Account tab should be \$0 after reconciling.

Manual 5: Trust Accounting



In the main section of the **Trust Account Reconciliation** window, there will be a list of all the transactions that have occurred in your trust account for the month you are reconciling.

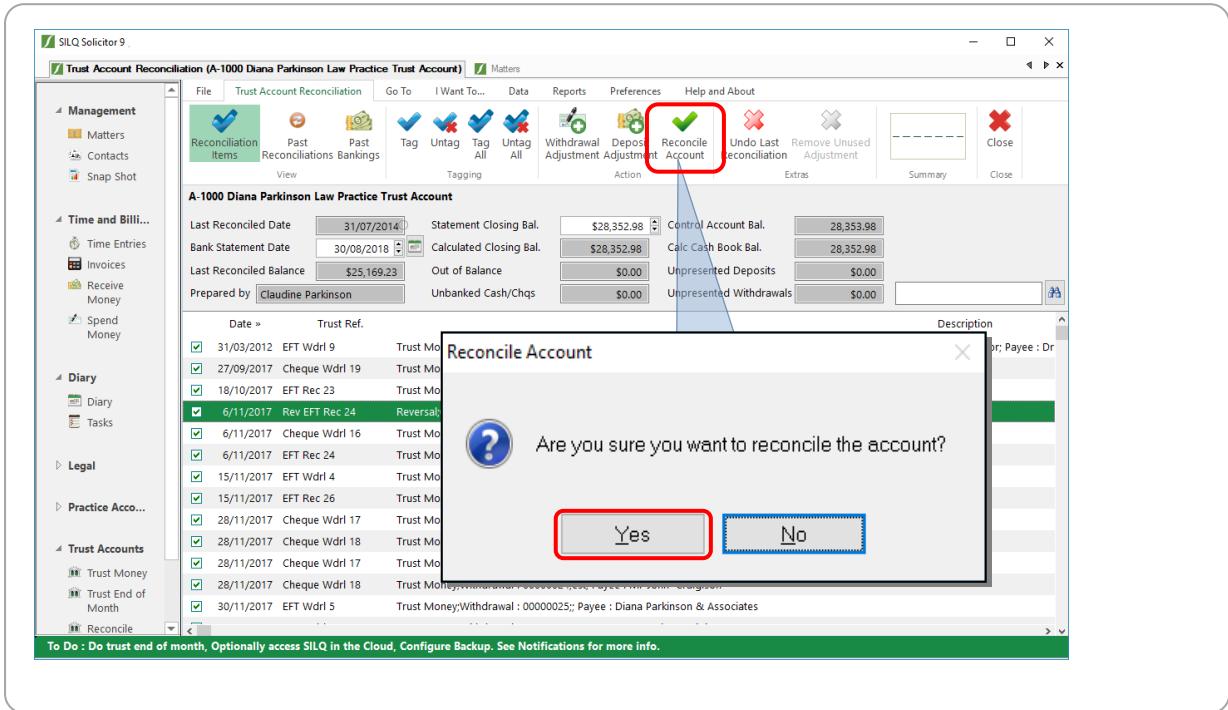
To the left of each listed transaction is a tick box. You need to look at your printed trust account bank statement, and then look at the list of transactions in SILQ, and if they appear on your printed statement, you can place a tick in the tick box next to that transaction to mark it off.

Repeat this process until you have ticked off all the transactions in SILQ. Every transaction that is listed on your printed statement should appear in the Trust Account Reconciliation window. By cross checking your statement and ticking off all the transactions in SILQ, the Out of Balance field in the Reconcile Account tab should now display \$0.

NB: If after ticking off all your transactions and your trust account in SILQ is out of balance, refer to the next section Deposit Adjustments and Withdrawals.

Transactions only show if they were entered before the statement date. (**Refer to Trust Transaction Dating and Trust Money Recording on page 61**)

Manual 5: Trust Accounting



Once your trust account balances, and you are sure you have all the items tagged, you are now ready to reconcile the account. To do this click on the **Reconcile Account** button, on the top toolbar.

A message will pop up confirming that you definitely want to reconcile your account.

If you are sure you want to proceed, click **Yes**.

Manual 5: Trust Accounting

The screenshot displays two identical reconciliation reports side-by-side, separated by a blue diagonal line. Both reports are titled "RECONCILIATION REPORT" and "DIANA PARKINSON ABN 12 345 6789 as at 31/03/2012". They are printed at "31 MAR 2012 18:50:38". The reports show a bank account balance of \$44,205.00.

Bank Account A-1000 Diana Parkinson Law Practice Trust Account			
Statement End Date	31/03/2012	Reconciliation Date	31/03/2012
		Reconciled By	Diana Parkinson
statement total at start of period	\$31,005.00		
add deposits	\$54,000.00		
deduct withdrawals	\$40,800.00		
reconciled total at end of period	\$44,205.00		
Balance as per bank statement	31/03/2012		\$44,205.00
Reconciled cash book balance			\$44,205.00

You will be presented with the **Reconciliation Report** as in the screenshot above.

9. Trust Reconciliation Example Scenarios

Before starting your trust reconciliation, please ensure you have the trust statement, which contains details like transactions, 'Bank Statement Date' and 'Statement Closing Balance'. Next, go through this statement and 'tick' the boxes in SILQ that match the transactions. Once this is completed the 'Out of Balance' should be '\$0' and you can click on 'Reconcile Account'.

Adjustments

Deposit and withdrawal adjustments are completed from time to time during Trust Reconciliations when unreconciled amounts of money overlap end of month.

Example 1: Reconciling: February | Current Month: March

If you received an amount of money into your Trust Account on the 27th of February, but you did not 'notice' it until the 5th of the following month, you need to enter an adjustment in SILQ to ensure it appears in the correct month.

The original money will not 'appear' on the February reconciliation; rather it will 'appear' in the March reconciliation as that is the entered date. As a consequence, you would not be able to complete February's reconciliation as it will have missing information. In order to get around this, you need to make an adjustment. Then in March, the original transaction will appear, along with the automated reversing adjustment, the two of which counteract each other, and therefore allow you to complete March's reconciliation.

Example 2: Reconciling: January | Current Month: February

You have noticed your trust statement has a receipt for January but you can't find it in trust reconciliation. You check Trust Money and can't find it. To resolve this you need to enter a trust receipt. After you enter the trust receipt in Trust Money, go back to the reconciliation window and enter a 'Deposit Adjustment'

(Note: the transaction date will be the date you actually received the money and the date entered is the date the transaction was recorded in SILQ).

Example 3: Reconciling: March | Current Month: April

You have recorded a receipt/withdrawal in SILQ and have subsequently noticed during reconciliation that the amount/description is incorrect. To correct this, go to Trust Money and reverse the item. Then record the item again with the correct details. Next, go back to trust reconciliation and enter a receipt/withdrawal adjustment.

Note:

Adjustments must NOT be used to "fix" an incorrect entry. Instead, „Reverse Item" must be used in Trust Money.

Adjustment must NOT be used to "fix" items missing in Trust Reconciliation. Instead, ensure the item has been recorded in Trust Money first, before entering a necessary adjustment.

If you have any other queries, please contact support on 1300 55 66 89 or support@silq.com.au



10. Trust Transaction Dating and Trust Money Recording

As solicitors deal with other people's money which is recorded in trust money records, the recording of entries and the strict reliance on the integrity of those records is paramount. If it was allowed that transaction could be back dated (ie recorded as the date it may have taken place, such date being the order in which transactions would be shown in the records) in the system, then this would allow the manipulation of transactions. Transactions could be manipulated so that debit balances, for example, are covered up. You could end up with many different versions of the one trust ledger account/statement of account, depending at which point the document was printed.

If actual transaction dates were allowed as the order of entries, again being back dating, then this would cause problems with month end balancing. If, the records are balanced at month end, being a strict requirement of the regulations, and then after month end we allow an entry to be processed which is back dated prior to balancing, then that ledger account will no longer agree with the month end trial balance amount. This then destroys the integrity of the balancing of the records.

An additional danger with the above scenario is that if the cash book has been run at month end and a transaction is entered in the following month and back dated, it will not be shown in either the current month's cashbook or the prior month's cashbook, as that has already been printed. Fraudulent entries could easily be hidden in this way. Any person reviewing the records must have a reliance that they are reviewing all the records entered into the system. This is the primary reason numbered month end reports are required and a strict regime of entry order in all reports is essential.

Such integrity in general accounting systems is not the primary goal of the recording system as is the case with trust accounting. All modern trust accounting systems are run in real-time ie they run off the operating system date and as a consequence this date must be the date of entry into the system.

The regulations require any entry which took place at a date prior to the date of entry to show both the date of entry (**Posting Date**) and the date it took place the (**Transaction Date**). Thus users of the cashbooks and ledgers will be aware of both dates and understand the relevance of this.

If transactions are not posted into the system at time of doing month end balancing for any reason, then such transactions should be entered into the bank reconciliation as adjustments and eliminated following their processing into the records. It should be remembered that the regulations require transaction to be recorded within 5 days after they have been effected. Allied to this are the requirements of ^{15 SEP}S.264 Keeping trust records (Legal Profession Act 2004)

1. A law practice must keep in permanent form trust records in relation to trust money received by the practice. Maximum penalty: 100 penalty units.
2. The law practice must keep the trust records:
 1. in accordance with the regulations, and
 2. in a way that at all times discloses the true position in relation to trust money received for or on behalf of any person, and
 3. in a way that enables the trust records to be conveniently and properly investigated or externally examined, and
 4. for a period determined in accordance with the regulations.

Maximum penalty: 100 penalty units.



If the strict requirements, as detailed earlier, were not put in place, then the records would not comply with S.264. The necessity of S.264 is to ensure the integrity of the recording of the dealing with trust monies by legal practitioner and their staff.

This description has been provided by :^{SES}**Garry Napper, Investigator, Trust Accounts
Dept^{IT} The Law Society of New South Wales**