

Monthly trust reconciliation

Month ending _____

Complete by _____

Trust account (IOLTA in the US) _____

Bank and account number _____

Three-way balance

A	Bank statement balance at month end	\$
B	Plus deposits not yet cleared	\$
C	Less unrepresented cheques and other payments not yet presented	\$
D	Adjusted bank balance A + B - C	\$
E	Trust cash book balance	\$
F	Total of client ledger balances from the client ledger trial balance	\$
All three agree: Yes / No D, E and F must match. If not, log it below.		☐ Yes ☐ No

Month-end steps, in order

- ☐ Download the bank statement to month end.
- ☐ Enter every receipt and payment in the cash book.
- ☐ List uncleared deposits and unrepresented cheques.
- ☐ Work out the adjusted bank balance (line D).
- ☐ Balance the trust cash book (line E).
- ☐ Total the client ledger trial balance (line F).
- ☐ Compare D, E and F. Investigate any difference.
- ☐ Check that no client ledger is in debit.
- ☐ Give this page, reports and notes to the principal.

Before sign-off

☐ **Exceptions investigated and noted**

Every difference explained in the log below, with the action taken.

☐ **Old unrepresented items followed up**

Cheques and deposits outstanding longer than your rules allow.

☐ **No client ledger in debit**

No client's ledger shows less than nil. If one does, fix it today.

☐ **Extra reports your rules require**

For example, a list of ledgers with no movement in a year.

Exception log

Date found	Client ledger or item	Amount \$	What happened	Action taken and date cleared	Initials

Reconciled by and date

Name _____ Date _____

Signature _____

Reviewed and signed by principal

Name _____ Date _____

Signature _____

I have reviewed this reconciliation, the bank statement, the client ledger trial balance and every exception noted above.

AUDIT FILING CHECKLIST

- ☐ Bank statement for the month
- ☐ This signed page
- ☐ Trust cash book report
- ☐ Client ledger trial balance
- ☐ List of uncleared deposits and unrepresented cheques
- ☐ Exception notes and supporting papers

File them together, one folder per month, for as long as your rules require.