Law Society of Ontario | Barreau de l'Ontario

Trust Accounts

Only lawyers or paralegals can attend to trust funds. Trust funds do not belong to the lawyer or paralegal; they belong to the clients. Funds must be returned to clients or transferred to the successor licensee, with related files, on the authorization and direction of the client. Here are some steps that may assist you in this regard:

- Locate the licensee's banking information and contact the bank(s) to ensure that you have a full listing of all trust accounts held by the licensee. Lawyers typically hold at least one mixed trust account (i.e., one account that holds all clients' funds). However, they may also hold funds in trust in other ways, such as by way of segregated and client investment accounts, which typically hold funds for one client (for example, Estates).

- Ask the bank to tell you if any of the trust accounts have additional signatories. Only licensees can be signatories on trust accounts. If any of the accounts have another licensee listed as a second signatory, contact that person to discuss their involvement in the practice.

- Set aside any accounting records you may come across as they may be needed to determine entitlement to trust funds as well as the last trust reconciliation date. Accounting records used to be kept in paper format, in long binders, but most commonly licensees use an accounting software program like PC Law, for example. These accounting programs can generate reports to assist in determining the funds held on behalf of each client matter.

- It is possible that some funds remaining in the licensee's trust account are payable to the licensee. For example, if the lawyer or paralegal has billed for work completed on a file or have completed work on a file but had not yet rendered an account. The Law Society cannot assist you with this exercise, but you may wish to engage the licensee's bookkeeper or another qualified bookkeeper or accountant to assist you. Please note that only lawyers or paralegals can sign fee invoices and only lawyers or paralegals can authorize the disbursement of funds from trust accounts.

- If you need assistance in identifying or accessing a licensee's trust accounts, please contact the Law Society. You can reach us by email at PracticeWindUpAssistance@lso.ca. Alternatively, you can telephone us at 416-947-3300 (toll free at 1-800-668-7380) and ask to be transferred to the Trustee Services department.