

# QuickBooks for Law Firms

## Law Firm Accounting and Billing



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## **1. Setting up QuickBooks for Law Firm Accounting**

### **Chart of Accounts – See Attachment**

QuickBooks generally comes with a default and generic Chart of Accounts that can be modified based on the firm's desired data. Certain editions of QuickBooks, such as Premier Professional Services Edition, may have more customized Chart of Accounts to your industry. A Certified QuickBooks ProAdvisor also has access to Charts of Accounts specific to certain industries.

### **Bank Accounts**

Set up each bank account separately. Bank accounts can be tied to online banking to make downloading transactions easier for the individual doing the bookkeeping. This can be accessed through the chart of accounts by right-clicking on the bank account and clicking on "Set Up Online Services." Certain banks offer free direct connections; other banks charge monthly service fees. Most banks offer web-connect download files. QuickBooks Online generally has a free direct connection to your bank account.

### **Trust Account**

The Trust Account should be set up as a separate bank account in the name of the lawyer or law firm. It may be a good idea to set up the firm's trust account at a different bank than the operating account to minimize the chance for banking errors and to minimize the chance of depositing funds into the incorrect account.

Each client should have their own trust sub-account under the main trust bank account or each client should have their own trust sub-account under the trust liability account, depending on the method of trust accounting that you have set up in QuickBooks. To set up a sub-account, create a new account, create a name referencing the client, and make it a sub-account of the main trust account or trust liability account.

## **Fixed Assets**

Fixed Assets should be set up in conjunction with your CPA and how they are tracking assets on the tax returns.

## **Credit Cards**

Set up each firm credit card separately. Each credit card can be tied to online banking to make downloading transactions easier for the individual doing the bookkeeping. This can be accessed through the chart of accounts by right-clicking on the credit card account and clicking on "Set Up Online Services." Certain credit card companies offer free direct connections; other companies charge monthly service fees.

## **Liability Accounts**

The main liability account for the law firm will be the client trust liability account, which should correspond to the trust account and to the retainer service item (discussed later). Depending on the method of trust accounting chosen for QuickBooks, you may also need to set up separate liability accounts for each client.

You can also track the firm's long-term liabilities, such as loans, lines of credit, or mortgages.

## **Equity Accounts**

The default equity accounts in QuickBooks include the opening balance equity account (which should be used as a clearing account), retained earnings, an owner's contribution account for each owner, and an owner's distribution account for each owner.

Equity accounts should be set up with your CPA and based on how they are tracking equity on the tax returns.

## **Income Accounts**

Set up income accounts to track your different sources of revenue, according to the amount of detail desired by the firm. At the very least, a firm will need a "Legal Fee

Income" account. Other types of income accounts may include, "Administrative Income" (for services such as being a registered agent) or "Reimbursed Expenses Income" for collection of expenses paid first by the firm and then billed to and reimbursed by clients.

For increased analysis on financial statements, you can break out types of income, such as "Business Legal Fee Income," "Probate Legal Fee Income," or "Estate Planning Legal Fee Income." These accounts are useful for internal management.

### **Expense Accounts**

QuickBooks usually creates a thorough set of basic expense accounts, such as - auto expense, computer & internet expense, continuing education, charitable contributions, dues & subscriptions, insurance, meals & entertainment, office supplies, payroll, postage & delivery, professional fees, repairs & maintenance, travel, utilities, etc.

You can add additional expense accounts or add sub-accounts to create more detailed analysis of the firm's expenses. The expense accounts will depend heavily on individual firms, their area of practice, their spending habits, and how much detail management wants to analyze financial data.

For example, a firm may want to track their different types of postage & delivery - postage for letters to clients, postage for letters of demand, postage to the court, and/or postage for demand packets to insurance companies. Keep in mind that creating more detailed expense accounts requires more detailed tracking of receipts to correctly input the data into QuickBooks. Either the data will need to be entered into QuickBooks immediately after the transaction, or records will need to be created immediately after the transaction to be input into QuickBooks at the end of the month. A system of writing notes on top of receipts may be the simplest method without duplicating data entry.

### **Service Items – See Attachments**

Service items serve two main purposes within QuickBooks – they create the line items you will use to invoice clients, and they create items that employees can use to

track and enter their time within QuickBooks. Creating specific service items within QuickBooks will streamline your invoicing process, especially for flat fee services.

The easiest way to create your service items is to break down the practice into its main areas. Take a look at the second list of service items. The main service items include commercial, conference, estate planning, litigation, probate, and tax matters because those are the firm's main areas of practice. Underneath those services, they create sub-services to provide more detail on their invoices to clients. They were also able to associate a price per hour with each item or a flat fee for the service. Additionally, they created items for common costs, for retainers, subtotal, and common discount items.

When setting up a new item, it's important to map it to the correct account. Your service items should be mapped to the appropriate income account. Your costs should be mapped to the appropriate reimbursable expenses or collection of costs account. Most importantly, the retainer service item needs to be mapped to the Trust Liability Account.

## **Employees**

To set up a new employee, go to the Employee center and add a new employee. QuickBooks allows you to add a lot of detail concerning the employees. If you're planning on processing payroll through the QuickBooks software, it will be important to input all the information. If you're not planning on processing payroll through QuickBooks, the basic information you want stored, such as name and hire date, is all that is necessary. You will only be using this as a field in time tracking and in the payee transaction field in the bank account.

## **Customers**

To set up a new client, go to the Customer center and add a new customer. Law firms often have the potential to handle multiple matters for clients. Therefore, it may be good practice to set up "jobs" under each customer for each separate case per client. To add a new job/case for a client, in the customer center, right click on the client's name

and hit “Add Job.” When you create invoices and receive payments for clients, make sure it’s created and received to the appropriate job. If you decide not to use jobs, keeping track of multiple cases per client will be more difficult.

When setting up a customer, make sure to include all the client information that will need to appear on an invoice, such as name, address, phone number, and email. This will make sending invoices much simpler. You can input additional information and create custom fields if you want to use QuickBooks as a client relationship manager.

## **2. Keeping Track of Time in QuickBooks, for both Attorneys and Paralegals**

There are two ways to track time within QuickBooks – the single time activity or the weekly time sheet. The single activity only allows the entry of one matter or block of time. It includes a timer feature with a “start,” “stop,” and “pause,” which could be useful in tracking billable time. However, if you want all the staff to use the timer within the single activity entry, each staff member would need to have QuickBooks open at the same time, which requires multiple QuickBooks licenses, which can get expensive, even for small firms. Third party applications may provide similar timer features with less cost burden. QuickBooks Online does not have this timer feature; however, it does have the single activity time keeper option as well as a weekly time sheet option.

Therefore, it’s usually recommended to use the weekly time sheet for tracking time. Select the appropriate week and the appropriate employee for time entry. Then enter the projects for the week. Select the correct customer and job and associate it with a service item. The payroll item column is only necessary if you are processing payroll through QuickBooks. Then, fill in notes about the project and activity completed during that time period. The notes will transfer onto the invoice for the client, so this field can be invaluable for accurate, detailed, and thorough invoicing. Add the amount of time to the appropriate day, and then check the “billable” box if this time can be billed to a client.

The billable box can be invaluable when tracking time for contingency matters – it will allow you to keep detailed time records without requiring the creation of invoices

immediately. You can pull the time reports from QuickBooks after winning the case and create invoices, or you go back and make the time billable after winning the case.

The billable box can also be invaluable when tracking time for flat fee matters. By entering the time, but un-checking the billable box, you can keep detailed time records to track how much labor costs are for a flat fee case. You will be able to see if you need to raise flat fees and how much such cases profit.

Make sure to keep the "billable" box unchecked for flat fee and contingency cases. Only check the billable box for items you want to transfer to invoices.

Under lists, there is the "Billing Rate Level List," which will allow you to create separate billing rates for different positions or different partners. Then, you will be able to assign a billing rate to each employee. By doing so, the time they enter on the time sheet will automatically be invoiced at the appropriate billing rate without manual modification.

### **3. Accounts Receivable for Law Firms - Including Invoices, Billing for Time and Expenses, Flat Fees, and Receipts**

#### **Billing for Time and Expenses**

Using the "create invoice for time & expenses" feature pulls the billable time and billable expenses associated to a client into one invoice up to a specified date. Start by selecting one client at a time and checking the box at the bottom titled: "Let me select specific billables for this customer:job." Working with one client invoice at a time will simplify the invoicing process. Reviewing the billables will make sure that unbillable time is not pulled into the invoice, which then forces you to evaluate what you are billing the client, allowing you to catch mistakes.

Once you select all the billable time and expenses, you can modify the invoice to apply discounts, add details, delete items, or add lines in between items to improve formatting. Once the invoice modification is complete, you can print the invoice, save it as a PDF, or, if set up correctly, send it via email to the client.

## **Billing for Flat Fees**

Use the "Create Invoices" to pull up a blank invoice. Then, fill in the appropriate "customer:job," check the date and due date, and begin selecting the appropriate items, adding detailed descriptions, rates, and amounts. After creating the invoice from scratch, you can print the invoice, save it as a PDF, or, if set up correctly, send it via email to the client.

## **Receive Payments**

Use the "Receive Payments" feature to collect payments from invoiced clients. Select the appropriate customer and job for that client. Make sure the amount and date are correct and note the payment method. QuickBooks will usually automatically apply the payment to certain invoices. Make sure QuickBooks applied the payment to the correct invoices. Then use "print" to create a receipt either by printing it or creating a PDF.

An important note: always use the "Refunds and Credit" feature to give refunds and credits to clients. It will create a negative amount to apply to an invoice.

## **Using Sales Receipts**

Use "Sales Receipts" when receiving payment immediately, for example, when a client pays immediately after an initial consultation. Sales Receipts simplify the accounts receivable process by combining the invoicing and receiving payment steps into one.

Select the correct customer and job, add the appropriate date, add the correct payment method, and begin adding items as if creating an invoice. When done, print it as a receipt for the client.

## **Deposits**

All the received payments and sales receipts go to the "Make Deposits" window to be grouped appropriately and deposited to the correct bank account. When you make a

deposit, select the payments grouped into one deposit. Then, select the correct bank account and date of the deposit. Double check the deposit, subtract any merchant service fees by expensing them, and then save the deposit. The final amount of the deposit should match the amount deposited to the bank.

When depositing retainers, make sure to select the correct client sub-account within the main trust account.

By grouping the deposits correctly, it will match the bank downloads and the bank statement and make reconciliation easier.

## **4. Expenses - Including Bank Account & Credit Card Reconciliations**

### **Enter Bills and Pay Bills Feature**

The "Enter Bills" function allows you to keep track of unpaid bills that will be paid by the firm at a later date using the "Pay Bills" feature. Anything entered using the "Enter Bills" must be paid through the "Pay Bills" feature. Some banks have direct connection features that will issue payments directly from QuickBooks using the "Pay Bills" feature.

The Enter Bills and Pay Bills features are not recommended unless you have a high volume of bills and a long delay in issuing payments to your vendors. If you process payments near immediately or use online bill pay, the enter bills/pay bills feature may not be the best option for you.

### **Entering Transactions**

It is best practice to enter transactions as they occur, especially checks. Depending on how often you actually do bookkeeping, there are three options for entering transactions:

1. Enter the transactions off the receipts as you purchase
2. Enter all transactions off the bank statement at the end of the month

3. Download transactions from online banking either daily, weekly, or at end of the month

Choosing your time frame for entering transactions depends on your firm's labor and time resources and on internal management's preferences for "real-time data," including which checks remain uncleared, and actual account balances versus posted bank balances. If the firm has tight or limited cash flow, entering transactions more frequently could prevent overdrafts and promote smarter spending habits.

To enter transactions:

1. Select the correct bank account from the Chart of Accounts. Start with the operating bank account.
2. Enter the date of the transaction.
3. Add the payee/vendor. (If entering a new payee, use the "Quick Add" feature unless you want to track specific vendor information such as address, phone, email, etc.)
4. Enter the total amount of the transaction.
5. Hitting "control" and "s" or double clicking on the transaction allows you the split the transaction between multiple expense accounts and to tie the expense directly to a client for billing later when creating invoices.
6. Enter any desired memo.
7. Credit card transactions are recorded the same way, just in the credit card register.

**Transactional Pitfalls**

Transfers between Firm Accounts

Record a transfer between accounts in the bank account the money is coming FROM. Make sure the "account" field is the bank account that the money is going TO. By doing this, the transfer will automatically show up as a deposit in the other bank account and will show up as a subtraction from the original account. The reconciliation of both bank accounts will be correct. Recording transfers any other way will cause bookkeeping and accounting problems.

### Payments to Credit Cards

Credit cards should be paid from bank accounts. Therefore, think of it as being similar to transfers between firm accounts.

When entering a payment to the credit card, start the transaction in the bank account. The payee would be the credit card company, and the "account" should be the appropriate credit card account in QuickBooks.

The payment will lessen the credit card liability and all the individual expenses will be recorded within the credit card register.

### Transfer from Trust Sub-Accounts

For proper trust accounting, each client has their own "sub-account" underneath the main trust bank account. Therefore, when creating a trust transfer check for fees earned, you need to record the transaction in the client's individual trust sub-account, not just the main trust account.

If you do not record the transaction within the client's sub-account, their individual trust balance will be inaccurate and you will not be able to easily reconcile it with the liability account.

Make sure to reduce the accounts receivable and apply the trust transfers to the appropriate invoices by using the "Receive Payment" function. Record deposits of transfers from trust sub-accounts into the operating account.

### **Reconciliations**

To begin the reconciliation for either a bank account or a credit card account, go to banking > reconcile. Select the account to reconcile. Enter the ending date of the statement. Make sure the beginning balance in QuickBooks matches the statement's beginning balance (which should be last month's ending balance). Enter the ending balance and continue.

It's usually a good idea to check the box "Hide transactions after the statement's ending date" so as not to reconcile future transactions or transactions not within the statement period.

Use the bank statement or the credit card statement to match each transaction on the statement with the corresponding transaction in QuickBooks. At the end, the difference in the bottom right corner should be "0," meaning each deposit and expense has been recorded and is matching.

Some common reasons for accounts not to reconcile include: mistakes in entering transaction amounts, missed transactions, and transactions entered into the wrong account.

Reconciliations are important because they ensure that a business is accurately capturing its income and expenses, especially for tax purposes. They also force businesses to watch their account activity, monitor income and expenses, and create controls to prevent fraud and theft.

## **5. Trust Accounting: How to Track Liability**

To properly track trust liability, a service item for retainers needs to be set up and mapped to tie to the trust liability account. By doing this, whenever you invoice for a retainer, a liability is automatically created in your liability account. Note, however, that the amount of the liability will be the amount invoiced, not always the amount collected. So if a client does not pay a retainer in full, make sure to note that when reconciling the liability with the trust bank account.

Always use the retainer service item on invoices and sales receipts so that the correct liability is created. When applying client retainer funds to a client's invoice, retrieve the invoice number from the client customer center in QuickBooks to reference on all transactions related to the transfer of retainer funds from the trust account to the payment of the invoice. Create a check in the client's trust bank sub-account. The check should be payable to the law firm and the account should be "client trust liability."

Reduce the accounts receivable and apply the trust transfer to the invoice by using the “Receive Payment” function to apply the trust transfer to the appropriate invoice.

Create sub-accounts under the main trust account for each client with money in the trust account so you know the exact amount held in trust for each client. Then, always use the sub-accounts for each client under the main trust accounts when receiving payments, when making deposits, and when recording transactions. When recording transactions, like trust transfers for fees earned or deposits, in the sub-accounts, associate it with the client's name in the payee field.

#### How to Reconcile Trust Liability – See Attachments

1. Pull the QuickReport on the trust liability account.
2. Open the trust liability account register from the Chart of Accounts.
3. Right-click on a deposit in the trust liability account associated with a client and select "QuickReport."
4. Click "Customize Report" then the "Filter" table and remove the existing "name" filter by clicking on the name and hitting "remove selected filter." Hit ok.
5. The report should be sorted by name and show how much each client should have in their individual trust account and the transactions creating the balance.
6. Pull the Balance Sheet, which will have the client's trust sub-account bank balances.
7. Compare the amount in each client's trust bank sub-account to the amount in the trust liability account.

Some reasons the amounts may not match include: clients have not paid the full retainer, funds were not deposited into the sub-account, or transactions were not recorded in the sub-account.

There are minimum records required for reconciliations of the trust account and these records must be kept for certain amounts of time, according to the Bar Rules. An example of the types of trust accounting records that need be kept are attached.

### Warnings about Trust Accounting

Be careful when paying client expenses. Make sure to use the client's sub-account and do not pay directly out of the trust account. It may be better practice to pay client expenses from the firm's operating account, invoice for the expenses, and transfer funds from the client's trust sub-account to apply to the invoice.

Be careful when using merchant services, especially in the trust account. Make sure the credit card payments get accepted into the right account, i.e. retainers should not first go into the operating account. Therefore, if you're accepting merchant services into the trust account, be wary that merchant service fees may be taken out of the trust account. Account for these merchant service fees by reimbursing the trust account from the operating account and having a cushion of extra funds for merchant services in the trust account at all times. Understand your merchant service provider and their fee structure to properly account for their fees within the trust account and to ensure the firm never has less in the trust bank account than in the liability account.

Remember, merchant service fees are a business expense, not an expense to the client.



# My Paper Pusher, LLC

bookkeeping experts

For more information, or if you have any questions,  
please visit [www.mypaperpusher.com](http://www.mypaperpusher.com) or  
call Samantha at 813-279-2752.

# Law Firm Chart of Accounts

Account	Type	Balance Total
Operating Account	Bank	11,445.23
Client Trust Account	Bank	9,610.00
Client Trust Account:Tingey Worldwide Freight Trust	Bank	0.00
Client Trust Account:Abraham J. Williams Trust	Bank	3,500.00
Client Trust Account:Jake Thomas Trust	Bank	6,110.00
Petty Cash Account	Bank	500.00
Accounts Receivable	Accounts Receivable	13,021.85
Undeposited Funds	Other Current Asset	3,000.00
Computer Equipment (Over \$1000)	Fixed Asset	2,500.00
Office Equipment (Over \$1000)	Fixed Asset	0.00
Accumulated Depreciation	Fixed Asset	-846.12
Accounts Payable	Accounts Payable	49.00
Master Card	Credit Card	1,366.10
American Express	Credit Card	0.00
Funds Held in Trust	Other Current Liability	9,610.00
Payroll Liabilities	Other Current Liability	2,703.59
Client Retainers	Other Current Liability	3,000.00
Line of Credit	Other Current Liability	36,472.70
Settlements Out to Clients	Equity	-6,970.00
Owner's Equity	Equity	-135,000.00
Owner's Equity:Owner's Investment	Equity	0.00
Owner's Equity:Owner's Distributions	Equity	-135,000.00
Opening Bal Equity	Equity	0.00
Retained Earnings	Equity	
Legal Fee Income	Income	
Settlement Income	Income	
Reimbursed Expenses (Income)	Income	
Advertising & Promotion	Expense	
Bank Service Charges	Expense	
Business License & Fees	Expense	
Automobile Expense	Expense	
Automobile Expense:Gas	Expense	
Automobile Expense:Repairs & Maintenance	Expense	
Automobile Expense:Mileage	Expense	
Automobile Expense:Registration & License	Expense	
Automobile Expense:Insurance-Auto	Expense	
Conferences and Seminars	Expense	
Computer	Expense	
Computer:Computer Repairs	Expense	
Computer:Software	Expense	
Computer:Hardware	Expense	
Continuing Education	Expense	
Contributions	Expense	
Depreciation Expense	Expense	
Dues and Subscriptions	Expense	
Equipment Lease	Expense	
Interest Expense	Expense	
Insurance	Expense	
Insurance:Professional Liability Insuranc	Expense	
Insurance:General Liability Insurance	Expense	
Insurance:Worker's Compensation	Expense	
Licenses and Permits	Expense	
Meals and Entertainment	Expense	
Office Equipment	Expense	
Payroll Expenses	Expense	
Payroll Service Fees	Expense	
Postage and Delivery	Expense	
Printing and Reproduction	Expense	
Professional Fees	Expense	
Professional Fees:Legal Fees	Expense	
Professional Fees:Accounting Fees	Expense	
Reimburseable Expenses	Expense	
Rent	Expense	
Repairs & Maintenance	Expense	
Supplies	Expense	
Telephone & Internet	Expense	
Travel	Expense	
Utilities	Expense	
Website	Expense	
Interest Income	Other Income	

**Law Firm**  
**Item Listing**  
 December 15, 2017

Item	Description	Type	Cost	Price	Sales Tax C...
Telephone	Telephone call(s)	Service	0.00		Non
Meetings	Meeting time	Service	0.00		Non
Legal Writing	Legal Writing	Service	0.00		Non
Legal Research	Legal Research	Service	0.00		Non
Court Appearance	Court Appearance	Service	0.00		Non
Case Management	Case Management	Service	0.00		Non
Beg Bal	Use this item for beginning balances in accounts re...	Service	0.00	0.00	Non
Travel	Travel	Service	0.00		Non
Reimbursable Expenses		Service	0.00	0.00	Non
Reimbursable Expenses:Filing ...	Filing and court fees	Service	0.00	0.00	Non
Reimbursable Expenses:Mileage	Mileage reimbursement	Service	0.36	0.36	
Reimbursable Expenses:Overn...	Overnight Mail/Fed Ex/ Airborne etc.	Service	0.00	0.00	Non
Reimbursable Expenses:Printing	Printing	Service	0.00	0.00	Non
Retainer	Client Retainer	Service	0	0.00	Non
Settlements	Use this item when you collect money from a settle...	Service	0.00	0.00	
Trust Account Deposit		Service	0	0.00	
Unbillable Time	Unbillable Time	Service	0.00	0.00	Non
Unbillable Time:Accounting	Accounting	Service	0	0.00	Non
Unbillable Time:Brochure Dev	Brochure Development	Service	0	0.00	Non
Unbillable Time:Client Contract	Client Contracts	Service	0	0.00	Non
Unbillable Time:Marketing	Marketing	Service	0	0.00	Non
Unbillable Time:Meetings	Meetings	Service	0.00		Non
Unbillable Time:Personnel	Personnel	Service	0	0.00	Non
Unbillable Time:Proposal Dev	Proposal Development	Service	0	0.00	Non
Unbillable Time:Sick Leave	Sick Leave	Service	0	0.00	Non
Unbillable Time:Training	Training	Service	0	0.00	Non
Unbillable Time:Vacation	Vacation	Service	0	0.00	Non
Fin Chg		Other Charge	0	18%	Non
Markup		Other Charge	0	10%	Non
Reimb Subt	Reimbursable Expenses Subtotal	Subtotal	0.00		
Subtotal		Subtotal	0		
Reimb Group		Group	0.00		
Payment		Payment	0		

## Item Listing

August 24, 2013

Item	Description	Type	Cost	Price	Sa...	U/M
Commercial		Service	0.00	200.00		hour (hr)
Commercial:Correspondence	Responding to letters of demand or other requests.	Service	0.00	200.00		hour (hr)
Commercial:Formation	Creating and Filing Organizational Documents, EIN...	Service	0.00	200.00		hour (hr)
Commercial:Formation - Basic	Creating and Filing Organizational Documents, EIN...	Service	0.00	400.00		
Commercial:Letter of Demand /...	Drafting formal request for payment	Service	0.00	200.00		
Commercial:Quoted Service		Service	0.00			
Conference	Meeting with clients	Service	0.00	200.00		hour (hr)
Conference:Initial Consultation	Initial Meeting with Client to review documents and ...	Service	0.00	100.00		
Conference:Telephone	Time attorney spent on telephone conversations	Service	0.00	200.00		hour (hr)
Estate Planning		Service	0.00	200.00		hour (hr)
Estate Planning:Health Surrog...	Florida Health Care Surrogate / Living Will	Service	0.00	100.00		
Estate Planning:Power of Attor...	Florida Power of Attorney	Service	0.00	100.00		
Estate Planning:Will	Florida Last Will and Testament	Service	0.00	250.00		
Litigation / Mediation	Time dedicated to legal arguments or negotiations	Service	0.00	200.00		hour (hr)
Litigation / Mediation:Research	Analysis of the facts and relevant law	Service	0.00	100.00		hour (hr)
Paralegal Work		Service	0.00	75.00		hour (hr)
Probate		Service	0.00	200.00		hour (hr)
Registered Agent Service	Performing the Registered Agent Duties	Service	0.00	100.00		
Tax Matters		Service	0.00	200.00		hour (hr)
Bounced Check		Other Charge	0.00	0.00		
Costs		Other Charge	0.00	0.00		
Costs:Document Requests	Cost of Requested Documents	Other Charge	0.00	0.00		
Costs:Filing Fees	Fees for Filing Documents	Other Charge	0.00	0.00		
Costs:Postage and Delivery	Postage and Delivery	Other Charge	0.00	0.00		
Retainer	Money put forward to secure legal representation	Other Charge	0.00	0.00		
Subtotal	Subtotal for Services	Subtotal	0.00			
Discount		Discount	0.00	0.00	Tax	
Discount:Combination	Discounted price for request of multiple services	Discount	0.00	0.00	Tax	
Discount:Family and Friend	Discount for Family & Friends	Discount	0.00	-25%	Tax	

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12/15/17

Accrual Basis

## Law Firm Register QuickReport All Transactions

Type	Date	Num	Memo	Account	Clr	Split	Amount
<b>Kirby Freeman Wholesale/Distribution</b>							
<b>Matter #09</b>							
Sales Receipt	07/05/2017	Retai...	Client Retain...	Client Retainers		Undeposited F...	4,500.00
Invoice	08/31/2017	2616	Retainer	Client Retainers		Accounts Rec...	-4,500.00
Total Matter #09							0.00
Total Kirby Freeman Wholesale/Distribution							0.00
<b>Brenda Bowden Showroom</b>							
<b>Matter #17</b>							
Sales Receipt	03/12/2018	Retai...	Retainer	Client Retainers		Undeposited F...	1,000.00
Total Matter #17							1,000.00
Total Brenda Bowden Showroom							1,000.00
<b>Tingey Worldwide Freight Company</b>							
<b>Matter #16</b>							
Sales Receipt	03/12/2018	Retai...	Retainer	Client Retainers		Undeposited F...	2,000.00
Total Matter #16							2,000.00
Total Tingey Worldwide Freight Company							2,000.00
<b>Willams, Cindy</b>							
<b>Matter #03</b>							
Sales Receipt	04/30/2017	Retai...	Client Retain...	Client Retainers		Undeposited F...	5,000.00
Invoice	05/31/2017	2609	Retainer paid...	Client Retainers		Accounts Rec...	-5,000.00
Total Matter #03							0.00
Total Willams, Cindy							0.00
<b>TOTAL</b>							<b>3,000.00</b>

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12/15/17

Accrual Basis

**Law Firm**  
**Register QuickReport**  
**All Transactions**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Account</u>	<u>Clr</u>	<u>Split</u>	<u>Amount</u>
<b>Jake Thomas</b>							
<b>Matter #19</b>							
Deposit	10/01/2017	987	Trust liability ...	Funds Held in Trust		Jake Thomas ...	6,300.00
Check	11/05/2017	1236	Court Filing ...	Funds Held in Trust		Jake Thomas ...	-150.00
Check	11/07/2017	1235	Shipping doc...	Funds Held in Trust		Jake Thomas ...	-40.00
Total Matter #19							<u>6,110.00</u>
Total Jake Thomas							6,110.00
<b>Abraham J. Williams</b>							
<b>Matter #18</b>							
Deposit	11/15/2017	1254	Funds for clie...	Funds Held in Trust		Abraham J. W...	3,500.00
Total Matter #18							<u>3,500.00</u>
Total Abraham J. Williams							3,500.00
<b>TOTAL</b>							<u><u>9,610.00</u></u>

**Joe Lawyer**  
**Receipts and Disbursements Journal**  
**January 1, 2010 through March 31, 2010**

Date <sup>1</sup>	Type/ Ck # <sup>2</sup>	Source/Payee	Memo/Reason <sup>3</sup>	Matter <sup>4</sup>	Receipts <sup>5</sup>	Disbursements <sup>5</sup>	Running Balance <sup>5</sup>
<b>Beginning Journal Balance, January 1, 2010 (ending journal balance from prior month):</b>							
01/05/10	Deposit	John Jones	Deposit for hospital bill	Jones, John	\$1,000.00		\$6,600.00
01/12/10	Deposit	Bob Smith	Cost & fee deposit	Smith, Bob	\$500.00		\$6,500.00
01/13/10	99	Orange Regional Hospital	Jones hospital bill	Jones, John		\$1,000.00	\$5,900.00
01/15/10	Deposit	John Brown	Cost & fee deposit	Brown, John	\$1,000.00		\$6,500.00
01/26/10	101	Clerk of Court	Filing fee	Smith, Bob		\$50.00	\$6,450.00
01/29/10	Interest	IOTA Interest Credited		IOTA	\$1.49		\$6,451.49
02/01/10	Interest	IOTA Interest Debited		IOTA		\$1.49	\$6,450.00
02/04/10	102	Clerk of Court	Filing fee	Brown, John		\$136.00	\$6,315.00
02/09/10	103	Joe Lawyer	Fees earned	Brown, John		\$450.00	\$5,865.00
02/12/10	Deposit	Progressive	Gross settlement	Olsen, David	\$80,000.00		\$55,865.00
02/16/10	104	David Olson	Net proceeds	Olsen, David		\$26,154.19	\$29,710.81
02/16/10	105	Orange Regional Hospital	Olson - final hospital bill	Olsen, David		\$3,500.00	\$26,210.81
02/16/10	106	Mary Clark	25% referral fee	Olsen, David		\$5,000.00	\$21,210.81
02/16/10	107	Joe Lawyer	Fees and essis	Olsen, David		\$15,345.81	\$5,865.00
02/22/10	108	Joe Lawyer	Earned fees	Smith, Bob		\$225.00	\$5,640.00
02/26/10	Interest	IOTA Interest Credited		IOTA	\$2.25		\$5,642.25
03/05/10	Deposit	Tom Anderson	Deposit for fees & costs	Anderson, Tom	\$1,000.00		\$6,642.25
03/13/10	109	Clerk of Court	Filing fee	Anderson, Tom		\$308.00	\$6,334.25
03/27/10	110	Joe Lawyer	Earned fees	Anderson, Tom		\$500.00	\$5,834.25
<b>Ending Journal Balance, March 31, 2010:</b>							<b>\$5,834.25</b>

- Rules:**
1. Rule 5-1.2(b)(5)(B) - the date on which all trust funds were received, disbursed, or transferred.
  2. Rule 5-1.2(b)(5)(C) - the check number for all disbursements.
  3. Rule 5-1.2(b)(5)(D) - the masons for which all trust funds were received, disbursed, or transferred.
  4. Rule 5-1.2(b)(5)(A) - identification of the client or matter for which the trust funds were received, disbursed, or transferred.
  5. Rule 6-1.2(b)(5) - a column for mespita, reimbursements, transfers, and the account balance.

**Joe Lawyer  
Ledger Cards**  
Showing All Activity (from the date of first ledger deposit), Ending March 31, 2010

Date <sup>1</sup>	Type/ Ck.# <sup>2</sup>	Source/Payee	Memo/Reason <sup>3</sup>	Receipts <sup>5</sup>	Disp. <sup>5</sup>	Running Balance <sup>5</sup>
<b><u>Anderson, Tom</u><sup>4</sup></b>						
03/05/10	Deposit	Tom Anderson	Deposit for fees & costs	\$1,000.00		\$1,000.00
03/13/10	109	Clerk of Court	Filing fee		\$308.00	\$692.00
03/27/10	110	Joe Lawyer	Earned fees		\$500.00	\$192.00
<b><u>Brown, John</u><sup>4</sup></b>						
01/15/10	Deposit	John Brown	Cost & fee deposit	\$1,000.00		\$1,000.00
02/04/10	102	Clerk of Court	Filing fee		\$135.00	\$865.00
02/09/10	103	Joe Lawyer	Fees earned		\$450.00	\$415.00
<b><u>Interest</u><sup>4</sup></b>						
01/29/10	Interest	IOTA Interest Debited		\$1.49		\$1.49
02/01/10	Interest	IOTA Interest Credited			\$1.49	\$0.00
02/26/10	Interest	IOTA Interest Credited		\$2.25		\$2.25
<b><u>Jones, John</u><sup>4</sup></b>						
01/05/10	Deposit	John Jones	Deposit for hospital bill	\$1,000.00		\$1,000.00
01/13/10	99	Orange Regional Hospital	Jones hospital bill		\$1,000.00	\$0.00
<b><u>Olson, David</u><sup>4</sup></b>						
02/12/10	Deposit	Progressive	Gross settlement	\$50,000.00		\$50,000.00
02/16/10	104	David Olson	Net proceeds		\$26,154.19	\$23,845.81
02/16/10	105	Orange Regional Hospital	Olson - final hospital bill		\$3,500.00	\$20,345.81
02/16/10	106	Mary Clark	25% referral fee		\$5,000.00	\$15,345.81
02/16/10	107	Joe Lawyer	Fees and costs		\$15,345.81	\$0.00
<b><u>Smith, Bob</u><sup>4</sup></b>						
01/12/10	Deposit	Bob Smith	Cost & fee deposit	\$500.00		\$500.00
01/26/10	101	Clerk of Court	Filing fee		\$50.00	\$450.00
02/22/10	108	Joe Lawyer	Earned fees		\$225.00	\$225.00
<b><u>Washington, George</u><sup>4</sup></b>						
12/31/09	Deposit	George Washington	Deposit for fees & costs	\$5,000.00		\$5,000.00
<b>Total Balances of Ledger Cards as of March 31, 2010:</b>						<b>\$5,834.25</b>

**\*Rules:**

1. Rule 5-1.2(b)(6)(B) - the date on which all trust funds were received, disbursed, or transferred.
2. Rule 5-1.2(b)(6)(C) - the check number for all disbursements.
3. Rule 5-1.2(b)(6)(D) - the reasons for which all trust funds were received, disbursed, or transferred.
4. Rule 5-1.2(b)(6)(A) - identification of the client or matter for which the trust funds were received, disbursed, or transferred.
5. Rule 5-1.2(b)(6) - a separate ledger for each client showing receipts, disbursements, transfers, and any unexpended balance.

**Joe Lawyer  
Reconciliation  
Month Ending March 31, 2010**

Ending Bank Statement Balance, March 31, 2010 <sup>1</sup>	\$10,642.25
Add: Deposits-in-Transit (Outstanding Deposits) <sup>1</sup>	
None	\$0.00
Deduct: Outstanding Checks <sup>1</sup>	
Check #99 - 01/13/10	(\$1,000.00)
Check #105 - 02/16/10	(\$3,500.00)
Check #109 - 03/13/10	<u>(\$308.00)</u>
Total Outstanding Checks as of March 31, 2010:	<u>(\$4,808.00)</u>
Reconciled Bank Balance, March 31, 2010 <sup>1</sup> :	
(\$10,642.25 + \$0 - \$4,808.00)	\$5,834.25

**\*Rule:**

1. Rule 5-1.2(c)(1)(A) - disclose balance per bank, deposits-in-transit, outstanding checks by date and check number, and any other items necessary to reconcile the balance per bank with the balance per the cash receipts and disbursements journal.

**Joe Lawyer  
Monthly Comparison/  
Trial Balance  
As of March 31, 2010**

<b>Client/Party</b>	<b>Balance</b>
Anderson, Tom	\$192.00
Brown, John	\$415.00
IOTA	\$2.25
Jones, John	\$0.00
Olson, David	\$0.00
Smith, Bob	\$225.00
Washington, George	\$5,000.00
<b>Total:</b>	<b>\$5,834.25</b>
<b>Reconciled Bank Balance:</b>	<b>\$5,834.25</b>
<b>Difference<sup>1</sup>:</b>	<b>\$0.00</b>

**\*Rule:**

1. Rule 5-1.2(c)(1)(B) - a comparison between the total of the reconciled balances of all trust accounts and the total of the trust ledger cards, together with specific descriptions of any differences between the 2 totals and reasons therefor.

**Joe Lawyer  
Summary\***

<b>Balances</b>	<b>Amount</b>	<b>See Page #</b>
<b>Reconciled Bank Balance as of March 31, 2010</b>	<b>\$5,834.25</b>	<b>3</b>
<b>Journal Balance as of March 31, 2010</b>	<b>\$5,834.25</b>	<b>1</b>
<b>Total of Monthly Comparison as of March 31, 2010</b>	<b>\$5,834.25</b>	<b>4</b>

***\* A summary is not required by The Rules, but the end result of compliant records is that all three balances match.***