

Today I shall be briefing you on three areas:

- ❑ What to do on day one
- ❑ New Trust Forms
- ❑ Summary

What to do on day one

1. Investment Register

Enter the balance(s) recorded on the existing “Monies Held for Investment Register” as opening or “take on” amounts on the new Investment Register. Commence using the Register but note that existing bank accounts do NOT change. If a new Investment Account is to be commenced then remember that any such investment must first be held in a general trust bank account and recorded in a trust ledger account.

2. Transit Register

At your choice elect to continue or cease using the Transit Register.

3. Trust cheques

On the existing trust cheque book cross out the words “or bearer and continue using the existing stock of trust cheques. Note that next time the trust cheques are ordered they are to be specified without the bank’s standard wording of “or bearer”.

4. Name of the Law Practice General Trust Account.

There is no change to this.

Note however that if a new general trust bank account is opened then the expression “law practice trust a/c” is required after the name of the law practice.

This may occur when the law practice changes banks or a new practice (including an Incorporated Legal Practice) is commenced.

5. Journal Transfers

Commence including additional information and numbering Journal pages and ensure appropriately authorised.

6. Trust Ledgers

Commence recording the following new details:

- a) for receipts the receipt number
- b) for cheque payments the cheque number; if payment is to an ADI, the name of the ADI or BSB number and the person receiving the payment benefit.
- c) for payments by EFT the date and number of the transaction, and amount, name and number and BSB to which the amount was transferred. If the payment was to an ADI then the ADI name or BSB and the person receiving the payment and particulars to identify the purpose of the payment. (Note that clear abbreviations such as "Pchse S/M" can be used).
- d) after each transaction the balance is written in the Balance column.
- e) details of any changes in the Title of the trust ledger must be shown. Typically this is when the client has multiple accounts and is useful to distinguish matters.

7. Trust Receipts

Either amend the current stock of receipts (to comply with Regulation 28) or commence using the form supplied in the paper.

8. Reconciliations

Use the new style of monthly reconciliations and note the extension of time to prepare these. It is recommended that practitioners check the reconciliations each month.

9. Billing

Commence using new wording. If you elect to provide bills according to Regulation 53 (3) change the wording on invoices to include "This is a Notice of Withdrawal of Trust Money".

10. Irregularity

Use Trust Form 9 when appropriate.

11. Register of Powers and Estates

Prepare Register using Trust Form 4.

Summary

1. The billing rule has been replaced by a regulation that permits practices to choose to bill and transfer costs on the same day or adopt a process that has a 7 day delay period. (see Regulation 53)
2. The Regulations contain new terminology and new requirements in the area of trust recording, particularly in the area of Controlled Money. However a simpler process is available and that is to use the Investment Register.
3. There is a reduced requirement for transit money recording.
4. Applications for exemptions from a trust regulation are made to the Law Society.
5. The Trust forms that have been provided aim to assist practices with the record keeping and required notifications.
6. It is recommended that, if you have a trust records maintained on a software program, you contact your software supplier to ensure that your version complies with the model Act and regulations.
7. Implement the changes to the record keeping from the first day that the new Act commences.