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| **#2 Trust Account Controls** |

# Sample Trust Account Controls Checklist

This sample is designed to help you develop the plans and procedures which demonstrate that your business meets or exceeds the ALTA Best Practices 2.0. It is intended to be used as a starting point and should be customized to suit the specific needs of your law firm.

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| **ISSUE** | **ACTIONS** | **NOTES** | **PERSON RESPONSIBLE** | **DATE COMPLETED** |
| Maintain account information - includes active and inactive, trust account separate from business account, closing and disbursement, construction disbursing, taxes, recording, pay premium and similar purposes | * Create list of accounts, including contact person at bank
* Verify operating account and Trust Account(s) are separate
* Verify each Trust Account is titled as an “escrow account” or “trust account”
* List account numbers and type for each bank account
* List authorized signatories, wire initiators and wire approvers for each account, including designations of who is the account owner
* Maintain the lists in a secure Controls and Procedures file for external audit
* Provide your banking institution with names of authorized personnel to initiate or approve all banking transactions
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| Monitor staff with trust account access and wire transfer authority | * List personnel with Trust Account access (authorized signers, and wire transfer initiators and approvers)
* Signature stamps are *not recommended.* However, if a signature stamp is used to sign trust account checks, verify only authorized signatories have access to the stamp and that the stamp is securely stored at all times
* Perform credit and five year Background Checks upon hiring and every three years
* Maintain record of completed reports
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| Utilize positive pay or reverse positive pay, automated clearing house (ACH) blocks and international wire blocks for each account, if available | * Document conversation(s) and image all written correspondence/authorizations into escrow file or Controls and Procedures file
* Determine number of approvals and approval level required to initiate and approve an outgoing wire
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| Reconcile Trust Accounts in accordance with the requirements of the North Carolina State Bar Trust Account Handbook | * Segregate duties so reconciliation is not performed by a Trust Account signatory or approver of bank transactions
* Perform a three-way reconciliation at least monthly
* Reconcile receipts and disbursements at least daily
* Attach summary report of open issues (i.e., files that need correction) for each month - this will help tracking of specific items and trends
* Managing Attorney approve completed reconciliation
* Maintain approved reconciliations in electronic format for your records or audit(s)
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| Employee Training | * Develop documentation for handling check stock, disbursements, wire transfers, making deposits, account reconciliation, and all aspects of safeguarding Trust Accounts
* Train employees and document completion of instruction on management and safeguarding of escrow funds and Trust Accounts
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