
Depositing client funds in a trust account

Posted by Mark - 2007/07/16 18:58

What is the rule about depositing client proceeds in your trust account vs your business checking account? Client pays me \$3k and i expect to consume the money within 3 weeks. Can I just deposit the money in my checking account or must i put it into my client trust account?:unsure:

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Re:Depositing client funds in a trust account

Posted by bigdaddy - 2007/07/17 15:28

The money must go into your trust account before you personal or business account until it is earned. Unless the money is non-refundable and you make this absolutely clear from the very start. And, once you have put the money in your trust account, you have to send a bill to the client when whatever portion of the money is being removed from the trust account into you account notifying the client that, that portion of the retainer has been earned and is being consumed by you. Be very careful how you treat your trust accounts, it is one of the few areas the bar association has absolutely no tolerance for when it comes to screwing around with client fees.

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