



The State Bar of California

Bookkeeping Best Practices

Investing time on a consistent, ongoing basis will not only help you stay on top of your bookkeeping duties as required by [rule 1.15 of the Rules of Professional Conduct](#), but it will also save you time and help prevent errors. Timely bookkeeping enables you to provide clear, professional communication with your clients about their financial position related to their legal matters without delay.

Daily

- Enter account journal and individual ledger entries for the day.
- Save a copy of client-specific support documents to client files.

Weekly

- Update client ledgers.
- Notify clients or other persons of any funds received on their behalf pursuant to rule 1.15, paragraphs (d)(1) and (d)(4) and rule 1.4, paragraph (a)(3).
- Pay client-related expenses, such as payments to medical providers.
- Save any resulting client-specific support documents to client files.
- Absent good cause not to, distribute funds within 45 days of the date when the interest in the funds becomes undisputed.

Monthly

- Perform bank reconciliation, which includes reviewing:
 - Trust account journal
 - Individual ledgers
 - Summary of ledger balances
 - Monthly bank statement with checks
 - All outstanding deposits and withdrawals
- Send invoices with individual client ledgers to clients.
- Follow up with clients with uncashed checks outstanding for one month.
- Consider additional effort to locate and contact clients with uncashed checks outstanding for more than one month.
- Save any resulting client-specific support documents to client files.

Annually

- Review year-end trust account bank balance for [Client Trust Account Protection Program \(CTAPP\)](#) reporting.
- Comply with [CTAPP requirements](#) during license renewal.
- Make additional efforts to locate any clients with uncashed checks.