2026 Trust Account Reconciliation Checklist

Your monthly 3-way reconciliation, in one page.

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Run this checklist on the same day every month. What matters to a bar auditor is not a perfect month.
It is twelve months of the same steady rhythm.

1 The three balances: they must match exactly

As of the last day of the month, confirm all three balances are identical:

- ☐ **Bank statement balance:** ending balance, as of statement date
- ☐ **Book balance:** trust account balance in QuickBooks, Xero, or Clio
- ☐ **Client ledger total:** sum of every individual client sub-ledger balance

If any two do not match, stop and investigate before moving on. Do not close the month.

2 Common discrepancies: check these first when numbers do not match

- ☐ Uncleared checks or deposits in transit (timing difference between bank and book)
- ☐ Bank fees charged to the trust account (must be reimbursed from operating immediately)
- ☐ Interest credited to the wrong account (IOLTA interest belongs to the state bar foundation)
- ☐ Client payments deposited without a matching sub-ledger entry
- ☐ Duplicate entries from integrated systems (Clio syncing twice into QBO or Xero)
- ☐ Credit card processor fees deducted from gross trust deposits (Stripe, LawPay, MyCase)
- ☐ Withdrawals not tied to a specific client matter (commingling risk)
- ☐ Negative client sub-balances (one client's funds used for another, a serious violation)

3 Documentation to keep on file: minimum 5 years in most states

- ☐ Signed monthly reconciliation report showing all three balances side by side
- ☐ Bank statement (original, not a summary or screenshot)
- ☐ Trust account register printout from QuickBooks, Xero, or Clio
- ☐ Client ledger report (one line per client with sub-balance)
- ☐ Copies of all deposit slips and trust checks issued during the month
- ☐ Wire transfer confirmations (both incoming and outgoing)
- ☐ Signed transfer authorizations for any earned fees moved from trust to operating
- ☐ Notes on discrepancies found and how they were resolved