

# Amended Trust Accounting Rules Approved by the Supreme Court

BY PETER BOLAC, TRUST ACCOUNT COMPLIANCE COUNSEL

**O**n June 9, 2016, the Supreme Court approved the amendments to Rule 1.15 that were discussed in detail in the last edition of the *Journal*. While there are many significant changes to the rules and its subparts, including a new quarterly review requirement, the most talked about change seems to be the requirement that any signatory to a trust account check complete a one-hour trust account management CLE.

Newly approved Rule 1.15-2(s)(2) requires checks drawn on a trust account to be signed by a lawyer or by an employee who is not responsible for performing monthly or quarterly reconciliations. Any lawyer or supervised employee with check signing authority must take a one-hour trust account management CLE course approved by the State Bar for this purpose. To allow CLE providers time to develop and obtain approval for appropriate courses and to allow a reasonable time for all law firms to come into compliance, the CLE requirement may be satisfied in 2017; however, compliance with the other signature requirements for trust account checks should be prompt. Completion of a one-hour trust accounting

CLE course taught by the State Bar's Trust Account Compliance Counsel after January 1, 2015, satisfies the requirement. Additional courses that satisfy the CLE requirement will be identified on the CLE website.

To clear up any confusion, lawyers may still sign checks and reconcile the trust account; only nonlawyers are prohibited from performing both functions. Rule 1.15-2(s) also includes new prohibitions against signature stamps, electronic check signatures, and preprinted signature lines on checks. Lawyers and law firms should promptly refrain from using these processes.

The new rules became effective as of June 9, 2016; therefore, lawyers should act quickly to come into compliance. However, the State Bar knows that there will be a learning curve for the new requirements and plans to reasonably enforce compliance with that understanding.

To help lawyers comply with the new reconciliation and review requirements, three separate fillable forms are available on the State Bar's website, [ncbar.gov/for-lawyers/trust-accounting](http://ncbar.gov/for-lawyers/trust-accounting). You can also get updates and guidance on rule changes by following the State Bar on Twitter at @NCStateBar.

While word of mouth is helpful, don't rely solely on what you're told by colleagues about the new rules. Read the revised *Lawyers Trust Account Handbook* (revisions to be completed in August 2016) and contact us at the Bar with any questions about the new rules. We can be reached at (919) 828-4620, or via email at [EthicsAdvice@ncbar.gov](mailto:EthicsAdvice@ncbar.gov) or [PBolac@ncbar.gov](mailto:PBolac@ncbar.gov).

## Third Quarter Audit Selection

Lawyers randomly selected for audit are drawn from a list generated from the State Bar's database based upon judicial district membership designations. The randomly

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selected judicial districts used to generate the list for the third quarter of 2016 are District 15B, composed of Chatham and Orange counties, and District 27B, composed of Cleveland and Lincoln counties. ■