

**State Bar of California  
Legal Services Trust Fund Program**

**Interest on Lawyers' Trust Accounts  
(IOLTA)  
Guidelines for Financial Institutions**

**January 1, 2015**

State Bar of California  
Legal Services Trust Fund Program  
(415) 538-2532

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## **Background: The IOLTA Program**

The Interest on Lawyers' Trust Accounts (IOLTA) program, authorized by the legislature at Business & Professions Code §§6211 et seq. ("Statute") requires lawyers to place certain nominal and short-term client funds into pooled interest- or dividend-bearing accounts. The interest or dividends generated on these accounts is remitted by financial institutions to the Legal Services Trust Fund Program (LSTFP), which in turn, awards grants to nonprofit legal services organizations to assist indigent persons with civil legal problems throughout the state. These funds are an integral part of a comprehensive system to ensure that low-income Californians have access to justice in the State of California. For more than thirty years, California's IOLTA program has proved to be a valuable partnership between attorneys and financial institutions to fulfill this critical public need.

All funds that a lawyer or law firm receives or holds for the benefit of a client or other person in connection with the performance of a legal service or representation by a lawyer must be deposited in one or more trust accounts, but not every trust account established by a lawyer or law firm will be an IOLTA account. It is the attorney or law firm's obligation to determine which funds should be held in an IOLTA account – only those funds that cannot earn income for the client or third person in excess of the costs incurred to secure such income should be held in an IOLTA account. If a lawyer or law firm determines that the funds should be held for the benefit of individual clients or third persons, then the lawyer or firm will place the funds in a non-IOLTA account that will usually bear the social security number or tax identification number of the individual client, third person, or law firm.

## **Eligible Financial Institutions**

Participation in the IOLTA program is voluntary for financial institutions, but attorneys cannot hold an IOLTA account at a financial institution that does not meet the requirements set forth by Statute and detailed herein. Once eligibility has been verified, the LSTFP staff will send your financial institution an eligibility confirmation letter and add your financial institution to the "IOLTA-Eligible Financial Institutions" list published on the State Bar of California website at [www.calbar.ca.gov/Attorneys/MemberServices/IOLTA/EligibleInstitutions](http://www.calbar.ca.gov/Attorneys/MemberServices/IOLTA/EligibleInstitutions).

For more information about becoming an IOLTA-eligible financial institution, please e-mail [iolta@calbar.ca.gov](mailto:iolta@calbar.ca.gov) or call 415-538-2532 to request the following documents:

Certification of Compliance Statement

[Remittance Report](#)

[Secure File Transfer Setup Request Form \(FTP\) -- Electronic Remittance](#)

IOLTA: Frequently Asked Questions

[Notice to Financial Institution to Establish an IOLTA Account](#)

Should you have any questions, please contact Elena Enzweiler, who supports IOLTA compliance and bank relations, at (415) 538-2532, or [elena.enzweiler@calbar.ca.gov](mailto:elena.enzweiler@calbar.ca.gov).

## **Statutory Requirements for Financial Institutions**

Under amended Business & Professions Code Sections 6091.2, 6212, and 6213 effective January 1, 2008, the law requires California lawyers to place IOLTA accounts only at financial institutions that pay interest rates or dividends on eligible accounts. Those accounts must pay IOLTA customers rates comparable to those paid to similarly situated non-IOLTA customers.

### **1. Eligible Accounts**

An “IOLTA account” means an account or investment product established and maintained pursuant to subdivision (a) of Section 6211 that is any of the following:

**Option 1:** Any interest-paying business checking account product with available preferred interest rates, such as money market, tiered or indexed rates.

**Option 2:** A money market account with, or tied to, check writing capability.

**Option 3:** A business interest-paying checking account backed by a sweep capability, with the sweep to a money market fund or daily overnight financial institution repurchase agreement invested in, or fully collateralized, by U.S. Government securities.

**Option 4:** An open-end money market fund with, or tied to, check writing capability solely invested in, or fully collateralized by, U.S. Government securities and with total assets of at least \$250,000,000.

### **2. Interest Rate Requirements**

Financial institutions may not discriminate between IOLTA accounts and accounts of non-IOLTA customers when paying interest, unless it is to pay IOLTA accounts a higher rate as defined by the Leadership Bank Program. A financial institution may offer any one of the following in order to comply with the rules:

**Establish IOLTA accounts as comparable rate products:** Comparable rate products are eligible accounts that earn no less than the highest interest rate or dividend generally available from the institution to non-IOLTA account customers when the IOLTA account meets the same minimum balance or other eligibility qualifications.

**Emulate the comparable product rate:** Instead of converting IOLTA accounts to higher paying products such as money market or business sweep accounts, an institution can simply choose to pay the equivalent rates, less chargeable fees, if any, of those products in the IOLTA deposit accounts meeting the same minimum balance and other requirements. Financial institutions that select this option benefit from ease of administration and the option to keep IOLTA funds on the financial institution’s operations balance sheet.

**Pay the Established Compliance Rate (ECR):** In lieu of paying the comparable rate, financial institutions may opt to pay the “Established Compliance Rate.” The Established Compliance Rate as of May 1, 2009 will be an amount on funds that is 68 percent of the Federal Funds target

rate or .68 percent, whichever is higher, as of the first business day of the quarter or other IOLTA remitting period, which amount is deemed to be already net of allowable reasonable fees. This Established Compliance Rate may be adjusted every six months by the LSTFP, upon 60 days written notice to participating financial institutions.

Some financial institutions have reinforced their commitment to funding civil legal services for low-income Californians by becoming Leadership Banks. Leadership Banks have committed to pay the current interest rate of 1.00 percent on all IOLTA accounts, and to waive all monthly service fees. (Rate subject to change based on Federal Funds Target Rate). Leadership Banks comply with the comparability requirements of the Statute and receive public recognition for their support of justice for all.

**IOLTA and the Community Reinvestment Act (CRA):** IOLTA- eligible financial institutions doing business in California have the opportunity to make a substantial difference in legal aid funding by joining the Peak Your Interest campaign and becoming a Leadership Bank, or by agreeing to pay the Established Compliance Rate (ECR).

The interest remitted on IOLTA accounts goes directly to the Legal Services Trust Fund Program at the State Bar of California, which, in turn, distributes the funds to nearly 100 nonprofit organizations providing critical legal services to their communities. IOLTA is one of the primary sources of funding for services that include:

- assisting victims of domestic violence
- advocating on behalf of persons with disabilities
- ensuring the homeless get available services and benefits
- providing legal advice to entrepreneurs and micro-businesses in low income neighborhoods

Financial institutions who "Peak their Interest" reflect the intention of the Community Reinvestment Act (CRA) because their support of legal aid to low-income Californians in crisis supports economic self-sufficiency and builds stronger communities. Paying higher rates on IOLTA accounts that fund grants to provide legal aid to Low and Middle Income (LMI) communities can be an innovative way to leverage your CRA investments.

The Legal Services Trust Fund Program at the State Bar of California will work with your bank or regulatory agency to provide a CRA acknowledgement letter stating how your bank contributes to LMI communities through IOLTA interest payments. By raising interest rates even a small amount, you can demonstrate your bank's commitment to upholding the ideals of the federal Community Reinvestment Act.

In order to complete CRA acknowledgement letters in a timely manner, we require that the requesting financial institution utilize the Secure File Transfer for submitting remittance reports. Secure File Transfer forms can be found at [Secure File Transfer Setup Request Form \(FTP\) -- Electronic Remittance](#)

### **3. Allowable Fees and Service Charges**

**Reasonable service charges:** Financial institutions may only deduct the following service charges from the interest or dividends earned on each IOLTA account: per-check charges, per-deposit charges, monthly fees, such as fees in lieu of minimum balance, federal deposit insurance fees, or sweep fees. Fees and charges must be calculated in accordance with the institution's standard practice and may be deducted only from the interest or dividends earned on the IOLTA account. All other charges are the responsibility of and may be charged to the lawyer or law firm account holder. Financial institutions may choose to waive any and all fees on IOLTA accounts.

Reasonable service charges include only those charges listed in the above paragraph; therefore, they do not include other costs, such as the cost of check printing, deposit stamps, NSF charges, collection charges, wire transfers, and fees for cash management services. These other charges are deemed to be ordinary business expenses that must be paid for by an attorney or law firm that receives or disburses trust funds.

**Negative Netting is Prohibited:** Negative netting by financial institutions is prohibited. Negative netting is defined as "assessing service charges on an IOLTA account that exceed the interest earned on that IOLTA account." Service charges on an IOLTA accounts may never exceed the interest earned on that IOLTA account. Service charges may not be deducted from the principal balance, and they may not be deducted from the interest or dividends earned on other IOLTA accounts. Since these accounts contain client funds held in trust by attorneys or law firms, any invasion of the principal is improper.

### **IOLTA Reporting and Remittance to the State Bar**

Financial institutions may remit interest or dividend payments monthly (LSTFP's preference) or quarterly for all the accounts they hold. Interest or dividends earned on the accounts should be calculated based on the aggregate average daily balance of each individual IOLTA account.

**Remittances are due the 10<sup>th</sup> of the month following the end of the reporting period,** and will be considered delinquent on the last day of the month following the end of the reporting period. One way to facilitate the remittance process is to flag and coordinate all IOLTA accounts to the same closing date or statement cycle.

The IOLTA Remittance Report allows the LSTFP to record IOLTA interest or dividends by individual lawyer/law firm IOLTA accounts, using the account number assigned by the financial institution. Submit remittance advice for each IOLTA account even if no interest or dividend is being paid for the remitting period. Information reported on the remittance advice must show all the IOLTA account numbers, the names of the lawyers or law firms, the amount of the remittance attributable to each account maintained by each lawyer or law firm, the rate and type of interest or dividends applied, the amount of interest or dividends earned, the amount and type of fees deducted, if any, and the average daily account balance on which the interest or dividends were paid (for example, average daily collected balance) for the period for which the report is made.

## **Electronic Remittance and Secure File Transfer**

Effective July 01, 2015, the State Bar of California will require all applicable IOLTA-eligible banks to utilize Secure File Transport to electronically submit their monthly IOLTA remittance report, greatly reducing the time and cost involved in submitting the monthly report. This requirement applies to all financial institutions with more than 15 IOLTA accounts; however, banks with 15 IOLTA accounts or less can, and are encouraged to, utilize the Secure File Transport for more efficient and secure reporting to the State Bar.

In order to configure the secure connection, simply fill out sections A and B of the [Secure File Transfer Setup Request Form](#) and return it via email to Elena Enzweiler at [elena.enzweiler@calbar.ca.gov](mailto:elena.enzweiler@calbar.ca.gov), or you can reach her by phone with any questions at (415) 538-2532. We suggest you forward this form to your Information Technology department to provide the connection information that will facilitate the file transfer.

All financial institutions should continue to use the excel spreadsheet “IOLTA Remittance Report” for their electronic submission. Blank excel templates of the Remittance Report are available on the State Bar website at [www.calbar.ca.gov/IOLTAbanks](http://www.calbar.ca.gov/IOLTAbanks), click on “Remittance Report.” After the individualized secure connection has been established, you will simply send the remittance report to the State Bar’s secure website. The name of the file submitted to the State Bar should be the bank name followed by the month and year, for example, “Financial Institution Name, July 2015.”

## **Completing the IOLTA Remittance Report Form**

### **For All Financial Institutions:**

1. Complete the summary statement on page one of the IOLTA Remittance Report form (sample located at the back of the Guidebook) and include the bank information, contact person, and time period being reported. The current interest rate paid and sections A, B, C, D, and E, reflecting totals from the summary detail page, must be completed. A fillable report form is available at [Remittance Report](#).
2. On page two of the detail statement, include the account number, lawyer/law firm name, the interest rate paid, interest earned, service charges, and net paid for each account (see Fees and Service Charges). Open accounts earning \$0.00 interest must be reported. Please provide grand total sums for the average daily balance, net amount remitted and total amount of fees charged, if any. The resulting totals from these columns should be reflected on page one of the summary statement to complete sections A, B, C, D, and E.
3. Calculate and report the totals for interest earned, service charges, and net paid. The total interest earned less total service charges should equal the total net paid. The total net paid should equal the amount of your payment to the IOLTA program.
4. Calculate the Average Daily Account Balance for each account for the monthly period of the report. If reporting quarterly, the Average Daily Account Balance should be calculated for the entire quarter.

5. New and closed accounts should be designated by **N** (new) or **C** (closed) in the far right column. All accounts must be accounted for on each consecutive IOLTA remittance report (including any open accounts earning \$0.00 interest). Unless the account has been designated as closed on the previous report, it should be listed.

**Submitting the IOLTA Remittance Report Form:**

Prepare and submit your IOLTA Remittance Report in electronic format in Microsoft Excel (.xls or .xlsx). Electronic reports are DUE on or before the 10th of each month via email to the following email address: [iolta@calbar.ca.gov](mailto:iolta@calbar.ca.gov).

Institutions can submit payment for electronic reporting by ACH (initiated by financial institution) or wire transfer (DUE on or before the 10th of each month) to Wells Fargo Bank, or by a check.

Please note:

**Sender Name:**

**Your Bank Name:**

**Sender Address:**

**Your Bank Address**

**Send remittance to:** The State Bar of California, Legal Services Trust Fund Program, Department 05-590, San Francisco, California 94139; or by wire transfer to Wells Fargo Bank. Please contact Elena Enzweiler at (415) 538-2532 to receive the routing number and account number.

**Reporting to Law Firm:**

The financial institution must send the lawyer/law firm holding the account the statement report in accordance with normal procedures for reporting to depositors. The lawyer/law firm address should be used for this statement. The attorneys monthly account statement should **not** be sent to the LSTFP.

## Unproductive Accounts

If service charges exceed interest and dividends for any account during a remitting period, the financial institution has several options: 1) maintain the account and write off or absorb any uncollected charges; 2) maintain the account and accrue charges, offsetting them against future interest earnings on that account; 3) pass these service charges and costs to the lawyer or law firm customer's operating account; 4) require the lawyer or law firm to maintain a reasonable balance in the IOLTA account to cover the excess charges/fees; or, 5) if the account is deemed "unproductive" by the LSTFP under the criteria below, close the account.

An account is "unproductive" if:

1. On an annual basis, the account has been negative for at least two years; **and**
2. Where service charges would still exceed interest even if the interest rate were increased by 100 basis points

Upon notice from the financial institution that an account is unproductive, the LSTFP will send written notice to the account holder that the account holder has 60 days to make arrangements to maintain a reasonable balance in the IOLTA account to cover the charges and fees, or notify the financial institution that it will cover those charges out of a general account. If the attorney or attorney firm does not respond within 60 days, the State Bar will send 30-day notice to the account holder that it will direct the bank to convert the IOLTA account to a non-interest bearing trust checking account and that the State Bar will no longer pay for services charges/fees. The State Bar at that time will notify the bank that it should remove the State Bar's Federal Taxpayer Identification number from the account.

## Adjustments and Errors

**Remittance errors:** The State Bar will make refunds when interest or dividends have been remitted in error, whether the error is that of the financial institution or the attorney. Attorneys requesting payment of interest or dividends on funds placed in an account in error should submit a timely request to the financial institution for a refund of interest or dividends on the identified funds. The financial institution should make a timely request in writing, accompanied by documentation of the error. As needed for auditing purposes, the State Bar may request additional documentation. In no event will the refund exceed the interest or dividends actually received by the State Bar. The State Bar reserves the right to charge a reasonable administrative fee to cover the cost of handling refunds or dividends remitted in error.

**Reconciliation of account information:** Semi-annually or at other reasonable intervals, the State Bar reconciles the information in financial institution remittance reports with the compliance reports that California attorneys provide to us. The cooperation of financial institutions in finding and correcting errors is appreciated.

**Erroneous deductions:** If the LSTFP becomes aware that a member business expense is erroneously deducted from IOLTA funds, the LSTFP will inform the financial institution and request the error be corrected.

## **Miscellaneous**

**Contact person:** Financial institutions are encouraged to designate an “IOLTA Contact Person” for their institution to serve as a liaison with the LSTFP. Financial institutions should advise of any new “IOLTA Contact Person” by e-mailing the contact’s name, title, address, phone number, fax, and email address to [iolta@calbar.ca.gov](mailto:iolta@calbar.ca.gov).

**Financial Institution Mergers:** Please provide immediate notice if the financial institution acquires, merges with, or is acquired by another financial institution.

**Distributing IOLTA procedures to branch personnel:** It is requested that financial institutions distribute the Guideline for Financial Institutions to branch personnel who most often deal directly with customers. Branch personnel are encouraged to call Elena Enzweiler at the State Bar of California at (415) 538-2532 with any questions.

**Overdraft Notices:** Do not send notifications of overdrafts from attorney trust accounts to the IOLTA program. Please send your attorney trust account overdraft report, as required by Business and Professions Code Section 6091.1, to:

State Bar of California  
Attention: Intake Unit  
845 South Figueroa Street  
Los Angeles, CA 90017-2515

## **Assistance is Available**

The LSTFP will work with lawyers and financial institutions to help make California’s IOLTA program a success. Staff is available to answer questions and to help financial institutions with their IOLTA accounts. Additional copies of the Statute, relevant State Bar Rules, and IOLTA forms are available upon request, or may be downloaded from [www.calbar.ca.gov](http://www.calbar.ca.gov).

For assistance or additional information, please contact our compliance auditors at Legal Services Trust Fund Program, The State Bar of California, 180 Howard Street, San Francisco, California 94105-1639, or email [iolta@calbar.ca.gov](mailto:iolta@calbar.ca.gov). You also can call one of the compliance auditors at (415) 538-2046 or (415) 538-2227.

## **IOLTA: FREQUENTLY ASKED QUESTIONS**

### **Q: WHAT IS AN IOLTA ACCOUNT?**

A: IOLTA is the acronym for “Interest on Lawyers’ Trust Accounts.” Attorneys routinely receive client funds to be held in trust for future use. If the amount is large or the funds are to be held for a long period of time, the attorney should place these monies at interest for the benefit of the individual client. However, in the cases of amounts that are small or are to be held for a short time, it is impractical to establish separate interest-bearing accounts for individual clients. In this case, funds are placed into an IOLTA account, with interest earned on the account paid to the State Bar of California, Legal Services Trust Fund Program, which distributes the money to legal services organizations. An IOLTA account remains in the lawyer/law firm’s name, but it bears the State Bar’s tax identification number (94-6001385).

### **Q: DO ALL LAWYERS HAVE TO ESTABLISH AN IOLTA ACCOUNT?**

A: No. All lawyers must be in compliance with California’s IOLTA rule, but compliance does not necessarily require having an IOLTA account. By law, all lawyers who handle small amounts of money for their clients, or money that is held for a short period of time, must participate in the program. They must open interest- or dividend-bearing trust accounts at Eligible Financial Institutions and deposit all small and short-term sums into these accounts. They also must report to the State Bar whether or not they hold an IOLTA account.

For example, if the deposit is large enough and/or will be held long enough to generate net interest for the client, (including attorney staff time and costs) the attorney should hold those trust funds in a separate interest-bearing account for the individual client. Lawyers and law firms -- not financial institutions -- have the responsibility for deciding which accounts they must have and what is deposited in each.

### **Q: ARE THERE ELIGIBILITY REQUIREMENTS FOR FINANCIAL INSTITUTIONS TO PARTICIPATE IN THE IOLTA PROGRAM?**

A: Yes. Participation in IOLTA is voluntary for financial institutions, but a lawyer cannot keep attorney client funds in financial institutions unless the financial institution meets requirements set forth in *Business & Professions Code §6210, et seq.* and has been found eligible by the Legal Services Trust Fund Program at the State Bar of California. Currently, there are approximately 250 banks in California that participate in the IOLTA program.

### **Q: WHAT MUST AN ATTORNEY DO TO OPEN AN IOLTA ACCOUNT?**

A: Establishing an IOLTA account is very simple. An attorney should fill out the “Notice to Financial Institution to Establish an IOLTA Account” and submit it to an approved

IOLTA financial institution. At that time, the financial institution will establish an IOLTA account, according to its own account opening procedures.

**Q: IS THERE A SPECIAL TITLE DESIGNATION FOR AN IOLTA ACCOUNT?**

A: It is important that IOLTA accounts be identified in such a way as to be easily recognized as an IOLTA account.

**Q: WHAT ARE THE TAX CONSEQUENCES?**

A: None. The bank will attach the State Bar's federal taxpayer identification number. There will be no tax consequences for the attorney or the client on the interest or dividends sent to the State Bar.

**Q: IS IT NECESSARY TO PREPARE IRS FORM 1099 FOR IOLTA ACCOUNTS?**

A: No. The IRS has advised that a financial institution does not need to report interest income generated by a pooled IOLTA account. In fact, in order to minimize administrative problems, a Form 1099 should **not** be prepared on these accounts. The attorney or law firm's Tax I.D. number should *never* be used.

**Q: HOW DO I OPEN AN IOLTA ACCOUNT?**

A: Bankers at financial institutions should follow these procedures when opening a new IOLTA account:

You and your attorney customer should complete the [Notice to Financial Institution to Establish an IOLTA Account](#) form and return it to the State Bar of California, Legal Services Trust Fund Program, 180 Howard Street, San Francisco, CA 94105, or faxed to (415) 538-2389. This form instructs financial institutions how to establish an IOLTA account and should be provided to all branch personnel to accommodate attorney clients and to ease the opening process for bankers when establishing IOLTA accounts.

All IOLTA accounts should be established in the name of the attorney or law firm and should be interest-bearing accounts.

Use the LSTFP TIN, 94-6001385, for the IOLTA account- do not use the attorney's or law firm's TIN or Social Security number.

An IOLTA account may be established as a basic interest-bearing checking account; any other suitable interest-bearing checking account offered by the financial institution to its other non-IOLTA customers; or a business checking account with an overnight sweep investment feature into repurchase agreements fully collateralized by U.S. Government securities, if such accounts are offered to similarly-situated non-IOLTA customers.

It is very important that steps be taken to ensure that the account is clearly identified as an IOLTA account.

1099-INT forms should **not** be issued for IOLTA accounts. There are no tax consequences for clients, lawyers, or law firms. Because the State Bar of California, Legal Services Trust Fund Program is exempt from federal income tax under Section 501 (a) of the internal revenue code, 1099 forms or other reports of interest are not required to be prepared or submitted to the Internal Revenue Service for IOLTA accounts.

Inform the attorney to update the new account information with the State Bar of California at [www.calbar.ca.gov/Attorneys/MyStateBarProfile.aspx](http://www.calbar.ca.gov/Attorneys/MyStateBarProfile.aspx).

Information for attorneys about opening and maintaining attorney-client trust accounts can be found on the State Bar's website at [www.calbar.ca.gov](http://www.calbar.ca.gov).

**Q: IS ADDITIONAL INFORMATION AVAILABLE?**

A: Yes. More information along with downloadable forms are available at [www.calbar.ca.gov/attorneys/memberservices/IOLTA](http://www.calbar.ca.gov/attorneys/memberservices/IOLTA). Also, the LSTFP staff is happy to provide any additional information to financial institutions, as well as to attorneys and firms. Please call 415-538- 2252 for assistance or e-mail [iolta@calbar.ca.org](mailto:iolta@calbar.ca.org).

**THE STATE BAR OF CALIFORNIA  
LEGAL SERVICES TRUST FUND PROGRAM  
IOLTA Remittance Report**

**Part I: Summary Statement**

**Report by email with wire transfer (preferred) to**  
[iolta@calbar.ca.gov](mailto:iolta@calbar.ca.gov); or  
 mail this statement (or similar detail statement) along with a  
 check for Remitted Interest made payable to :  
 The State Bar of California  
 Trust Fund Program  
 Department 05-590  
 San Francisco, CA 94139

Institution Name: \_\_\_\_\_  
 Name/Title of Contact: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_  
 State \_\_\_\_\_ Zip Code: \_\_\_\_\_  
 Telephone: \_\_\_\_\_  
 Email: \_\_\_\_\_

Report Period: From: \_\_\_\_\_ Through: \_\_\_\_\_  
 Reporting Financial Institution (ABA number): \_\_\_\_\_  
 Check/Wire#: \_\_\_\_\_ Date: \_\_\_\_\_

<b>Summary:</b>	A) Number of L.S.T.F.P. accounts being summarized by this statement.....	# _____
	B) <u>Total</u> of Average Available Daily Balance for all L.S.T.F.P. accounts .....	\$ _____
	C) <u>Total</u> interest earned in the period for all L.S.T.F.P. accounts.....	\$ _____
	D) <u>Total</u> service charges charged for all L.S.T.F.P. accounts during the period.....	\$ _____
	E) Net Payment (Amount Due) (C minus D) for the period.....	\$ _____

**Applicable Interest or Dividend Rates**

**1. If same for all accounts:**

Rate (APR): \_\_\_\_\_

**2. If tiered rates apply, please complete the chart below, indicating the tier breaks (principal balances) and rate applied to each tier.**

Principal Balance		Rate (APR)
From:	To:	
\$	\$	
\$	\$	
\$	\$	
\$	\$	
\$	\$	
\$	\$	
\$	\$	
\$	\$	





NOTICE TO FINANCIAL INSTITUTION TO ESTABLISH AN IOLTA ACCOUNT

ATTORNEY INFORMATION

**INSTRUCTIONS TO ATTORNEYS:** Business and Professions Code sec. 6211(a) requires attorneys who receive or disburse client funds in trust, to establish an unsegregated trust account for any such funds that are nominal in amount or that are on deposit for a short period of time, and that therefore are not appropriately deposited to individual interest-bearing accounts. This obligation is further described in the Business and Professions Code and in "Guidelines for Attorneys" at [www.calbar.org/iolta](http://www.calbar.org/iolta).

Pursuant to this obligation, you are requested as follows:

(1) Complete this form, (2) Take this form to a financial institution eligible to offer IOLTA accounts, (3) Send a copy of the completed form to the Legal Services Trust Fund Program of the State Bar of California along with a list of all lawyers in the firm. You may also update your account information on the State Bar website [www.calbar.ca.gov](http://www.calbar.ca.gov) at "My State Bar Profile."

FIRM NAME: \_\_\_\_\_  
ATTORNEY NAME: \_\_\_\_\_ MEMBER#: \_\_\_\_\_  
MAILING ADDRESS: \_\_\_\_\_  
CITY: \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_ TELEPHONE: \_\_\_\_\_  
FINANCIAL INSTITUTION NAME: \_\_\_\_\_  
ACCOUNT NO.: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
 SEE ATTACHMENT FOR ADDITIONAL NAMES.

The attorney(s) identified above hereby enroll(s) in the State Bar of California's Interest on Lawyers' Trust Account (IOLTA) program (Business and Professions Code sec. 6210 *et seq.*). Under this program, please open my/our law firm's interest-bearing account.

The account should be designated as a fiduciary account in my/our law firm's name and must bear the State Bar of California's Taxpayer Identification Number to ensure that interest or dividends generated by this account will be paid to the State Bar's IOLTA program. No IRS Form 1099 is required to be filed for IOLTA accounts. IOLTA accounts are NOT subject to back-up withholding.

FINANCIAL INSTITUTION INFORMATION

**INSTRUCTIONS TO FINANCIAL INSTITUTIONS:** All attorney trust accounts must earn interest or dividends comparable to those earned by other accounts of similar size at the same financial institution. Interest in accordance with your standard account disclosure must be remitted monthly or quarterly, pursuant to Business and Professions Code sec. 6212, to:

The State Bar of California, Legal Services Trust Fund Program  
Dept. 05-590, San Francisco, CA 94139

OR: by wire transfer to Wells Fargo Bank  
Tax ID # 94-6001385

For more information about the IOLTA program and the nonprofit organizations it supports, or for assistance in setting up this account, remitting interest or dividends to the State Bar of California, or handling remittance errors, please visit the State Bar's website at [www.calbar.ca.gov/IOLTAbanks](http://www.calbar.ca.gov/IOLTAbanks) or call Elena Enzweiler at (415) 538-2532. We encourage remittance by wire transfer.

COPIES TO THE FINANCIAL INSTITUTION, THE ATTORNEY, AND THE TRUST FUND PROGRAM