

# Month-end trust account close

For a law firm keeping its IOLTA books in QuickBooks (Online or Desktop). One pass per trust account, every month, same cutoff date for every record. October 2026.

## Before you start

|  |                                                                                                                 |
|--|-----------------------------------------------------------------------------------------------------------------|
|  | Pick the cutoff date (the bank statement date). Every balance below is as of that date.                         |
|  | Download the bank statement and the check images for the period.                                                |
|  | Confirm every deposit and payment for the period is entered in QuickBooks with a customer (client) on the line. |
|  | Confirm no trust transaction was posted to operating, and no operating transaction to trust.                    |

## Leg 1 — the adjusted bank balance

|  |                                                                                                    |
|--|----------------------------------------------------------------------------------------------------|
|  | Bank statement ending balance.                                                                     |
|  | Add deposits in transit (recorded, not yet on the statement).                                      |
|  | Subtract outstanding checks (issued, not yet cleared); list each with date, number, payee, amount. |
|  | Note any bank error or unexplained item; do not plug it.                                           |

## Leg 2 — the trust journal balance

|  |                                                                                                                                                |
|--|------------------------------------------------------------------------------------------------------------------------------------------------|
|  | The trust bank account's book balance in QuickBooks at the cutoff.                                                                             |
|  | The Client Trust Liability balance at the same date; it should agree with the bank account's book balance when the ledger is set up correctly. |
|  | Run the bank reconciliation in QuickBooks against the statement; a \$0.00 difference.                                                          |

## Leg 3 — the sum of the client ledgers

|  |                                                                                                          |
|--|----------------------------------------------------------------------------------------------------------|
|  | Balance by customer (or sub-account) at the cutoff; total it.                                            |
|  | No client balance is negative. If one is, find the payment that caused it today.                         |
|  | Clients with a zero balance and a closed case are marked closed; nothing stays "in trust" with no owner. |

## Finish

|  |                                                                                                                                                 |
|--|-------------------------------------------------------------------------------------------------------------------------------------------------|
|  | Legs 1, 2 and 3 agree to the penny. If not, find and explain the difference; never adjust a balance to force agreement.                         |
|  | Outstanding checks older than your void window: follow up, void and reissue, send the void to the bank.                                         |
|  | Save the statement, the outstanding-check list, the reconciliation report and the client balance report together, labeled with the cutoff date. |
|  | Sign and date the reconciliation (the reviewer, not the preparer, where your state requires a second person).                                   |
|  | Record the reconciliation date where your state asks for it (California: monthly, with annual CTAPP reporting).                                 |

Templates that go with this list: the three-way reconciliation worksheet and the client trust ledger at [disbo.com/resources/templates](https://disbo.com/resources/templates). Disbo posts each payment to the matter in QuickBooks as it is issued; the reconciliation export is in beta with a small group of firms. [disbo.com/integrations/quickbooks](https://disbo.com/integrations/quickbooks)