

1.1 App. E: Choosing a Bookkeeper

This appendix is **optional reading**, in that you are not expected to read this material to complete the test for this module.

An important practice decision that every lawyer faces in setting up shop is who to hire for the job of bookkeeper. Your job as owner of your business is to be familiar with the bookkeeping requirements of your practice as set out in Part 3 Division 7 of the Rules, and to hire and supervise competent staff to meet those requirements.

In the near future as we go to the Self-Reporting Trust Report it will be very important for you to be knowledgeable of the Part 3, Division 7 Rules and Trust Administration Rules.

1.2 The Bookkeeper's Role

There is a prevalent notion among practitioners that the bookkeeper's role is akin to that of a data entry person with a basic understanding of bookkeeping. However, the person that you employ will not only be responsible for the day-to-day posting of transactions for your trust and general accounts, but he/she is usually delegated the more important role of conducting month end procedures that include the preparation of the monthly trust bank reconciliations, billing and accounts receivable work, payment of client disbursements and office accounts, preparation of periodic financial statements and monitoring cash flow for your business.

Some lawyers have only a vague notion of what the bookkeeper does for their business and may hire a friend or relative for this job without careful deliberation or a review of their qualifications. All too often, the LSBC becomes involved in a practice where the bookkeeper has not performed his/her duties due to improper supervision by the lawyer. As many lawyers have experienced, changing bookkeepers can be expensive, time-consuming, and may even lead to discipline action if the books and records are not kept in accordance with the Rules.

It is the lawyer's personal responsibility for ensuring the books and records are kept in accordance with the Rules whether or not any duties are delegated to a bookkeeper. Therefore, it is incumbent upon every practicing lawyer to be familiar and have a working knowledge of Part 3, Division 7 of the Rules.

1.3 Full-time vs. Part-time Bookkeeper

You have the option of hiring either a full-time person or a free-lance bookkeeper who attends your office on an as needed basis. Whether you hire full time or part-time staff depends on a number of factors: the number of financial transactions that occur each month, the timelines in

which financial transactions must be entered to be in compliance with the Rules; the size of your practice as well as the type of law that you practice.

For example, a small law firm of three lawyers that deals with a high volume of transactions such as a conveyancing practice would probably best be served by a full-time bookkeeper to keep on top of all the trust transactions. If your practice is involved only in low-volume corporate work, a part-time bookkeeper may adequately meet your needs.