

ARE YOUR TRUST ACCOUNTS COMPLIANT?

The Deadline to Report IOLTA Compliance is January 1

This year, as part of submitting your annual dues and mandatory forms to the State Bar of Nevada, all lawyers are required to report that their current trust accounts are compliant with Supreme Court Rule 217 – the rule governing Interest On Lawyer Trust Accounts (IOLTA).

Through this program, attorneys must deposit small or short-term client funds so that these otherwise idle funds may be pooled to generate interest which is granted to legal aid service providers. The program does not alter long-standing, trust account practices within the legal profession – a client's deposit may be set up in a designated account to earn interest for that client.



IOLTA accounts are defined as those accounts set up by a Nevada attorney to hold clients' funds that are nominal in size or to be held for a short period of time. To be compliant with the rule, lawyers must:

1. Place their IOLTA accounts only with a participating financial institution; and
2. Report compliance with Supreme Court Rule 217 on their annual dues statements;
3. Or claim a waiver only if they do not have a participating institution within 20 miles.

A complete list of participating financial institutions is available at www.nvbar.org > [IOLTA](#) > [Participating Financial Institutions](#). Nevada's IOLTA program is managed by the Nevada Law Foundation (NLF) as the tax-exempt foundation designated by the State Bar Board of Governors. The NLF provides the state bar with the list of participating financial institutions.

Participating financial institutions have agreed to a number of minimum qualifications. These qualifications include providing preferred interest rates and not charging fees directly related to holding and processing IOLTA funds.

Beyond reporting your IOLTA compliance on annual forms, no additional administration is necessary by lawyers or their employees. Financial institutions, in partnership with the NLF, will do the rest.

IOLTA is a critical component of providing legal services to the needy. Funds from IOLTA are a major source of funding for Nevada's civil legal aid providers offering legal services to the poor, seniors, victims of domestic violence and children in need of protection.

Last year, the Nevada Law Foundation funded grants totaling more than \$1 million. Groups benefiting from IOLTA funds include legal services programs, such as the Legal Aid Center of Southern Nevada, Washoe Legal Services and Volunteer Attorneys for Rural Nevadans; programs for victims of domestic violence, such as the Committee to Aid Abused Women; children's intervention programs, such as the Court-Appointed Special Advocate program; and law-related education programs, such as Project REAL.

For more information, visit the State Bar of Nevada's website at www.nvbar.org > [IOLTA](#). In addition to a list of participating banks, you can also find the complete text of Supreme Court Rule 217 as well as IOLTA enrollment forms. You may also call our IOLTA hotline at (702) 317-1400 for answers to your questions. ■

The deadline to bring trust accounts into IOLTA compliance, and to report that compliance on your annual bar forms, is quickly approaching. Bar dues and mandatory forms are due Jan. 1, 2011.