



**MASSACHUSETTS
IOLTA
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Dear Colleague:

In 1989, acting under its power to regulate the practice of law, the Massachusetts Supreme Judicial Court (SJC) adopted a comprehensive Interest on Lawyers' Trust Account (IOLTA) Program. Mass. R. Prof. C. Rule 1.15 requires all lawyers who hold client funds to deposit such funds in one of two types of interest-bearing accounts: either a pooled account ("IOLTA account") for all client funds which, in the judgment of the lawyer, are nominal in amount or are to be held for a short period of time; or an individual account, with the interest payable as directed by the client.

The IOLTA account(s) lawyers are required to establish are interest-bearing client fund accounts which pay the interest earned to the Massachusetts IOLTA Committee, established by the SJC to oversee the IOLTA program. The IOLTA Committee then distributes the interest among three charitable entities: the Boston Bar Foundation, the Massachusetts Bar Foundation and the Massachusetts Legal Assistance Corporation. These three entities use the funds received from the IOLTA program to support the delivery of civil legal services to indigent clients and to improve the administration of justice.

The SJC has recently revised Rule 1.15 on Safekeeping Property. As of July 1, 2004, Rule 1.15 requires all lawyers who hold client funds to comply with new record-keeping requirements for client and trust funds maintained by lawyers. The new rule identifies the records that must be maintained, describes the operational requirements for maintaining proper trust accounts, and requires lawyers to regularly reconcile client funds accounts, including the balance held for each client.

The new Rule 1.15 has several basic elements. First, there is a clear description of the records that must be created and maintained with respect to lawyers' trust accounts, including check registers, individual client ledgers, ledgers for bank fees, and reconciliation reports completed every 60 days verifying that funds are being properly maintained in the trust accounts. Second, the rule sets forth some operational requirements, including the use of pre-numbered checks and a prohibition against making withdrawals from trust accounts by ATM card or by checks payable to cash. By writing or calling the IOLTA Committee, you can request, free of charge, a copy of the Guidelines for Client Fund Accounts. These guidelines, and forms to open a new account, are also available on the IOLTA Committee web site listed below.

Any attorney who fails to fill out the enclosed IOLTA Compliance statement is subject to suspension. Instructions are on the back of this letter.

Thank you for your assistance in implementing this important program.

Respectfully yours,

Anthony M. Doniger, Chair
IOLTA Committee

*For further information, please contact the IOLTA Committee
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