

Note: unless noted otherwise, all reports mentioned in these notes can be found in LawStream's Accounting tab.

TAF (Trust Administration Fee) Reporting

The key TAF report is the "Trust audit analysis report by individual file, for date range": it contains a list of all trust transactions for a specified date range (which would normally be your TAF reporting period), and includes specific references to the files that have transactions that are subject to the TAF; this report includes a summary at the end, to assist you in preparing your TAF submission

Note that in order to implement LawStream's processing of the TAF in your office, you must (through the Other Accounting Window of the Accounting section of the Setup tab) select the "British Columbia's Trust Administration Fee Applies to this Firm" option, and you must specify your firm's preferences for dealing with the recording of TAF information in that same window.

In addition to that report, you will also be expected to set up the appropriate general ledger account(s) to record the payment of the trust administration fee, and/or a disbursement account to record the charge payable by a client on a file;

- if you will be charging your clients for the TAF incurred by your firm, you should add a new disbursement code (through the Setup tab in LawStream); if you do that, you will have to tell LawStream (through the "Other Accounting" window) that that is the code representing TAF charges (otherwise, LawStream will not know which disbursement code to use when it records the TAF as a disbursement for the file); it will be a GST-able amount of \$10, with a description such as "Trust Administration Fee payable to Law Society of British Columbia"
- you may note that the "Other Accounting" window of the Accounting Setup area includes options for implementing the TAF; those options include the disbursement mentioned above; they also provide two choices for dealing with posting the amount due, to your firm's general ledger; one of those options is to defer the posting for a later journal entry (which would be based on a printed report of TAF-able trust transactions), and the other is to post the transaction as a payable immediately after the trust transaction is done
- if you choose the option to defer posting to a later journal entry, you will likely want to add two new accounts to your general ledger chart of accounts: one of those will be a TAF payable account (this new account may be in the "other" type (as opposed to trust or receivables accounts), and will likely be in a category with other current liabilities such as G.S.T. and sales tax payable; the other of the two new G/L accounts you will likely want to enter, will be an expense account (likely with the client-related costs or general administrative expenses, depending on how you view it); those two accounts would be the ones later used on journal entries (along with your normal G.S.T. recoverable account, as the TAF is subject to G.S.T.)
- if, on the other hand, you choose the option of posting a payable when there is a trust transaction subject to the TAF, you should have a new payee (such

as Law Society of British Columbia - TAF), and one new expense account associated with that payee (the expense account would have the same characteristics as the one described in the preceding sub-paragraph); note that you could use the same "Law Society of B.C." payee that you have probably already been using, but by having different payees it will be easier for you to distinguish TAF payments from other payments to the Law Society, and it will be easier for you to make more effective use of default G/L codes for the TAF

the actual account(s) established for each office may vary according to each office's own preferences; if you plan to charge the TAF to the clients whose files have caused your own firm's TAF liability, you will likely also want to add a special disbursement (with a GST-able amount of \$10 for the file's disbursement) to record the TAF as a charge payable by the clients on those files; because of the requirements for timely remittance of the TAF, you might want to add reminders for those deadlines, in an office administration file maintained in your LawStream data base; for those exceptional cases where a single file might be subject to two or more TAF remittances (e.g., when acting for multiple parties in a conveyance), you will want to record the TAF disbursement twice