

NOTICE TO FINANCIAL INSTITUTIONS OPENING AN IOLTA ACCOUNT IN OREGON

The Oregon Supreme Court established a mandatory IOLTA program in 1989. All lawyers and law firms handling client funds that cannot earn interest for the client net of banking charges and administrative fees must put these funds in an IOLTA account. The following is guidance when opening an IOLTA account:

- The bank must use the Oregon Law Foundation Tax ID number on the account. The tax ID number is #93-0817536.
- To assist you in opening an IOLTA account take to the bank a document called Notice to Financial Institutions. This is not mandatory but some financial institutions such as US Bank require documentation before opening an IOLTA account and this form should help meet that requirement. Although most banks do not require this form it is beneficial when opening an IOLTA account because it helps the financial institutions better understand what kind of account you are requesting.

From: <http://www.oregonlawfoundation.org/lawyers.html> - *How do I open an IOLTA account and what are the reporting requirements?*

ATTACHMENTS:

- Notice to Financial Institutions (take with you to the bank)

IMPORTANT NOTICES

This material is provided for informational purposes only and does not establish, report, or create the standard of care for attorneys in Oregon, nor does it represent a complete analysis of the topics presented. Readers should conduct their own appropriate legal research. The information presented does not represent legal advice. This information may not be republished, sold, or used in any other form without the written consent of the Oregon State Bar Professional Liability Fund except that permission is granted for Oregon lawyers to use and modify these materials for use in their own practices. © 2017 OSB Professional Liability Fund.

NOTICE TO FINANCIAL INSTITUTIONS

From: _____

To: _____

Oregon lawyers are subject to the Interest on Lawyer Trust Account (IOLTA) program established by the Oregon Supreme Court in 1989. Pursuant to the Oregon Rules of Professional Conduct, all client funds that cannot earn interest in excess of the costs of generating such interest (“net interest”) must be held by lawyers and law firms in interest bearing trust accounts. The interest from these IOLTA accounts benefit (and must be paid to) the Oregon Law Foundation.

Client funds that can earn net interest must also be held in one or more trust accounts in which the interest accrues for the benefit of the client. It is the responsibility of the lawyer to determine whether client funds belong in an IOLTA account or a trust account that benefits the client.

IOLTA accounts must be maintained in accordance with the following terms and conditions:

1. The IOLTA account must bear the Oregon Law Foundation Tax ID No. 93-0817536 and have “Lawyer Trust Account” included in the account name (for example, “ABC Law Firm Lawyer Trust Account” or “John Doe Lawyer Trust Account”).
2. Funds deposited in this account must be kept separate from the law firm’s or lawyer’s general account.
3. Lawyers can have IOLTA accounts only with financial institutions that have entered into an agreement with the Oregon Law Foundation. The agreement outlines interest remittance and reporting requirements.
4. Interest earned (net of service charges or fees, if any), should be computed in accordance with the institution’s standard accounting practices and be remitted at least quarterly to the Oregon Law Foundation, 16037 SW Upper Boones Ferry Rd, P O Box 231935, Tigard, OR 97281-1935.
5. The interest remittance must be accompanied by a report that includes the name of the lawyer or law firm for whom the remittance is sent, the number of the IOLTA account as assigned by the financial institution, the average daily collected account balance or the balance on which the interest remitted was otherwise computed for each month for which the remittance is made, the rate of interest applied, the period for which the remittance is made, and the amount and description of any service charges deducted during the remittance period.
6. The lawyer or law firm in whose name this account is carried must receive the regular statement customary to the account.

Inquiries concerning the IOLTA program may be directed to the Oregon Law Foundation, 16037 SW Upper Boones Ferry Road, PO Box 231935, Tigard, OR 97281-1935. Telephone (503) 620-0222 Ext. 323 or, within Oregon 1-800-452-8260 Ext. 323 or go to www.oregonlawfoundation.org.