

## FAQs Regarding Registering IOLTA Accounts

### **Do I need to register my IOLTA account?**

Yes, state law and the Supreme Court of Ohio's rules require attorneys licensed in the state to register their IOLTA accounts with the Court.

### **How do I register my IOLTA account?**

Upon admission to the bar and then every two years, you will receive a Certificate of Registration from the Supreme Court of Ohio. This form includes a section to register your IOLTA accounts. In between biennial registrations, the attorney may register new accounts and/or provide account updates by visiting the Ohio Legal Assistance Foundation's Web site or contacting the Foundation directly.

### **What information do I need to provide to the Court regarding my IOLTA account?**

An attorney is required to provide the Court with his or her registration number, IOLTA account name and number, and the name and location of the financial institution with which the account is established. You must list all IOLTA accounts with which you are associated.

### **May I use my employer's IOLTA account or do I need my own?**

If you are working for a firm and that firm maintains an IOLTA account, you are permitted to use your firm's IOLTA account. When registering your firm's account, you need to obtain the number of the firm's trust account and the name and location of the financial institution with which the account is established.

### **What if I don't know my account or my firm's account information when I first register with the Court?**

Upon first being admitted to the practice of law in Ohio, you may not have established your own IOLTA account or you may not know your firm's account information. On the Certificate of Registration, you should complete the account registration section with the information that you do know – your personal information and your firm's name and location. Once you have established your own account or know your firm's account number, then you should forward that information to the Foundation.

### **If I do not need an IOLTA account what do I need to do?**

In the IOLTA section of the Certificate of Registration, please check the appropriate box at the bottom of the form indicating the reason that you do not need to maintain an IOLTA account – no additional information or steps are required.

### **How do I establish an IOLTA account?**

Most eligible, participating financial institutions have a uniform process for establishing an IOLTA account. It is the attorney's responsibility to ensure that the new account is established at an eligible depository institution. The title of the account must have the name of the attorney or firm with "Interest on Lawyers Trust Account" or "IOLTA." The institution should assign to the IOLTA account the federal tax identification number 31-1126612 (non-IOLTA client accounts should be assigned either the attorney's or client's federal tax identification number). After establishing the account with your bank, you will need to register the account with the Court.

10 West Broad Street, Suite 950  
Columbus, Ohio 43215-3483  
(614) 752-8919 (voice)  
(614) 728-3749 (fax)  
[www.olaf.org](http://www.olaf.org)



# FAQS REGARDING IOLTA ACCOUNTS

## **What is IOLTA?**

IOLTA is an acronym for “Interest on Lawyers’ Trust Accounts.” These accounts consist of the pooled funds of multiple clients held in a single escrow or trust account by an attorney. The interest earned on IOLTA accounts generates revenue for legal aid societies, which assist low-income people resolve urgent, non-criminal legal problems that adversely affect their daily lives.

## **How does the IOLTA program work?**

Under basic trust principles, an attorney is required to segregate and safeguard client funds, may not commingle client and attorney funds, and may not retain for him or herself any interest earned by the client’s funds. Under state law and the Supreme Court of Ohio’s Code of Professional Responsibility, lawyers essentially have two options to properly handle client funds: 1) deposit client funds into a pooled clients’ interest-bearing account (i.e., IOLTA); or, 2) deposit client funds in a separate interest-bearing account, with interest income directed to the client. Interest earned on the IOLTA account flows to a special fund at the Treasurer of State.

## **When should I place client funds in my IOLTA account?**

IOLTA accounts are only intended to be used whenever net interest cannot be earned for the client’s benefit (i.e., the funds are nominal in amount or are to be held for a short period of time and thus can not generate sufficient interest above the cost to open and maintain the account). If net interest could be earned for the client, then the funds should be deposited in a separate account for the client’s benefit.

## **When do I need to establish an IOLTA account?**

You only need to establish an IOLTA account if you currently receive client funds or anticipate in the very near future that you will be handling client funds. If your position does not involve receiving or distributing client funds, then you don’t need an IOLTA account. For example, an attorney in a corporate setting or working for the government generally would not need an IOLTA account.

## **Where may I establish my IOLTA account?**

You may establish your IOLTA account at an eligible financial institution that is authorized to transact business in the state of Ohio. Please check the Foundation’s Web site for a list of eligible, participating institutions.

## **What service charges may be deducted from my account?**

Only reasonable service charges may be deducted from the interest earned on the account. Reasonable service charges include normal monthly maintenance fees or deposit and check transaction charges. If the interest is insufficient to cover the charges, and the institution does not waive the difference, the attorney is responsible for the balance. Please check the Foundation’s Web site for a list of permissible service charges.

## **May attorney funds be placed in the IOLTA account?**

Generally, an attorney may not co-mingle his or her own funds with that of the client. However, an attorney may deposit his or her own funds into the IOLTA account in order to cover permissible service charges in excess of interest earned, or to meet a minimum balance requirement by the financial institution that would enable waiver of all service charges.