



LAWYERS
TRUST FUND
of ILLINOIS

IOLTA Operations Manual

Guidance for Illinois Financial
Institutions

May 2023

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This manual is for distribution to appropriate IOLTA operations personnel at financial institutions. It may be duplicated in part or in whole as needed.

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Introduction

The Lawyers Trust Fund of Illinois has prepared this manual to provide financial institutions with critical information about the Illinois Interest on Lawyer Trust Accounts (IOLTA) Program. This includes explanation of the requirements for:

- Establishing IOLTA accounts for lawyer customers;
- Paying comparable interest rates on IOLTA accounts; and
- Remitting interest earned on IOLTA accounts electronically.

This manual is intended for use by personnel in a financial institution's main office or branch operations center, as well as by branch personnel who may directly interact with lawyer customers who maintain IOLTA accounts or want to establish an IOLTA account.

Section 1: IOLTA Basics

1.1 What is IOLTA?

“IOLTA” stands for Interest on Lawyer Trust Accounts. An IOLTA account is a type of client trust account used by lawyers. These accounts must be established by financial institutions as pooled, interest-bearing demand deposit accounts.

By the direction of the Illinois Supreme Court, the interest earned on deposits in Illinois IOLTA accounts must be remitted to the Lawyers Trust Fund of Illinois (LTF), a non-profit foundation. LTF uses the remitted interest to make grants to support free legal help in civil matters for low-income families.

Under their ethics rules (the Illinois Rules of Professional Conduct), Illinois lawyers are required to use IOLTA accounts to hold short-term or nominal funds belonging to clients and third parties. The rules also require lawyers to establish IOLTA accounts only at financial institutions that meet certain eligibility criteria (see Sections 2.1 and 2.10 below).

Similar requirements exist in every other U.S. state, as well as the District of Columbia.

1.2 The Lawyers Trust Fund of Illinois

LTF was established in 1983 as a 501(c)(3) charitable foundation to support legal aid throughout Illinois. To establish a funding stream for that support, the Illinois Supreme Court designated LTF as the administrator of the IOLTA program. As a result, LTF is the beneficial owner and recipient of interest generated on IOLTA accounts in Illinois.

LTF makes grants to more than 40 non-profit organizations that provide free legal help to low-income individuals and families across the State of Illinois. More details about LTF's charitable work are available online.¹

1.3 IOLTA Accounts and Lawyers

Under professional ethics rules, a lawyer may not deposit funds belonging to clients or third parties into their business/operating account or personal account. Instead, lawyers must hold these funds in an interest-bearing client trust account. The rules prohibit lawyers from receiving any interest earned on these accounts.

Illinois Rule of Professional Conduct 1.15 specifies two types of client trust accounts that lawyers may use:

- An IOLTA account may be used as a pooled account to hold funds belonging to one or more clients. This is the most common type of client trust account used by lawyers.
- A non-IOLTA client trust account may be established solely for the deposit of funds from one client, with the earned interest payable to that client.

Under Rule of Professional Conduct 1.15B, lawyers must use IOLTA accounts for deposits that are not large enough or held long enough to earn net interest on their own, but that may generate interest when pooled with similar deposits. Because lawyers may not collect any interest on these accounts, any earned interest must be remitted to the IOLTA program (LTF) on a monthly basis. (More detail about remitting interest is in Section 3.5 below.)

Operationally, an IOLTA account is owned by and remains in the name of the lawyer or law firm that established it. However, the account should bear the taxpayer identification number (TIN) of LTF, the "beneficial owner" of the IOLTA interest. (LTF's TIN is available upon request.)

1.4 Non-IOLTA Client Accounts

Not every lawyer's or law firm's trust account will be an IOLTA account. Lawyers may open a client trust account that is not an IOLTA account for the benefit of an individual client or third party. Deposits into non-IOLTA client trust accounts typically are substantial in size or are expected to be on deposit for a sufficient time to generate net interest that is paid to the client or third party. Because any net interest earned on these accounts is payable to the individual client or third person for whom they are established, the accounts should bear the Social Security number or tax identification number of the lawyer or law firm.

¹ <https://www.ltf.org/ltf-grants/current-grants/>.

1.5 Choosing the Trust Account Type

Under the ethics rules, only lawyers and law firms – not financial institutions – are responsible for deciding which type of client trust accounts they should use and what to deposit in each. Once a lawyer makes a good faith decision at the outset to deposit funds into an IOLTA account, the financial institution must remit the interest or dividends earned to LTF. If a lawyer makes an error in deciding where to deposit the funds, LTF has a process for handling refund requests from lawyers. (See Section 3.8 below for more information.)

Key Points in Section 1

- ✓ IOLTA accounts are pooled, interest-bearing accounts lawyers are required to use to hold funds belonging to multiple clients or third parties, when it would not be cost-effective to have separate accounts for each client's funds.
- ✓ The Illinois Supreme Court requires lawyers to maintain IOLTA accounts only at eligible financial institutions. (See Section 2 for eligibility requirements.)
- ✓ Financial institutions must remit interest generated on IOLTA accounts to the Lawyers Trust Fund of Illinois on a monthly basis via ACH.
- ✓ The Lawyers Trust Fund is the beneficial owner of the interest earned on IOLTA accounts; these accounts should use LTF's TIN.
- ✓ The Lawyers Trust Fund uses IOLTA interest to make charitable grants to support legal aid services to low-income families in Illinois.

Section 2: Requirements for Eligible Financial Institutions

2.1 Financial Institution Eligibility

Illinois Rule of Professional Conduct 1.15B requires Illinois lawyers and law firms to establish IOLTA accounts only at an “eligible financial institution” as defined under the rule. (See Rule 1.15C(d).)

To be eligible to hold IOLTA deposits, financial institutions must offer IOLTA accounts that pay interest rates that are comparable to those the financial institution pays on non-IOLTA accounts.

Financial institutions must also complete a Trust Account Overdraft Notification Agreement with the Illinois Attorney Registration & Disciplinary Commission, which regulates Illinois lawyers. (See Section 2.9 for more detail regarding this requirement.)

2.2 Comparable Interest Rates

Rule of Professional Conduct 1.15B requires lawyers to hold IOLTA deposits only at financial institutions that pay comparable interest rates on IOLTA accounts. The rule specifies that eligible financial institutions must:

*(O)ffer IOLTA accounts that pay interest or dividend rates that are **not less than the highest rate generally available from the financial institution to its non-IOLTA customers** when the account meets the same minimum balance or other eligibility qualifications. In determining the highest interest rate or dividend generally available from the institution to non-IOLTA accounts, an eligible institution may consider factors (in addition to the IOLTA account balance) customarily used by the institution when setting interest rates or dividends for its customers. However, these factors may not discriminate between IOLTA accounts and the accounts of non-IOLTA customers, or include that the account is an IOLTA account. [Emphasis added.]*

2.3 Meeting the Comparable Rate Requirement

Eligible financial institutions may use a range of options (including different account products) to meet the Comparable Rate Requirement. Some account options may be more appropriate for higher-balance IOLTA accounts. For all account types, IOLTA funds must be subject to withdrawal upon request and without delay as soon as permitted by law. Subsections 2.3.1 through 2.3.4 describe the different options eligible financial institutions may choose to pay comparable interest rates on IOLTA deposits. Figure 2.3 at the end of this section on page 14 illustrates the same options.

2.3.1 Checking Accounts

To meet the Comparable Rate Requirement, eligible financial institutions may hold IOLTA funds in checking accounts paying preferred interest rates, such as money market or indexed

rates. Financial institutions periodically may be required to certify that the rates paid on checking accounts that hold IOLTA deposits comply with the Comparable Rate Requirement.

2.3.2 Alternative Products for Higher Balance Accounts

To meet the Comparable Rate Requirement for IOLTA accounts with higher balances, eligible financial institutions may use alternative account types, including:

- 1) A government (such as for municipal deposits) checking account;
- 2) A business checking account with an automated investment feature, such as an overnight sweep and investment in repurchase agreements fully collateralized by U.S. Government securities;
- 3) A money market fund with, or tied to, check-writing capacity, that must be solely invested in U.S. Government securities or securities fully collateralized by U.S. Government securities, and that has total assets of at least \$250 million; or
- 4) Any other suitable interest-bearing deposit account offered by the eligible financial institution to its non-IOLTA customers.

Financial institutions periodically may be required to certify that the rates paid on these alternative products comply with the Comparable Rate Requirement.

2.3.3 Paying Alternative Product Rates on IOLTA Accounts

Using a higher-yield account product as described in Section 2.3.2 may require additional administration by the financial institution. Some eligible financial institutions avoid this additional burden by paying the highest rates they offer on such products (including government accounts, accounts with automated investment features, or high-yield money market accounts) on existing IOLTA accounts **instead of actually moving the funds into the highest-yield bank products**. Financial institutions periodically may be required to certify that the rates paid on IOLTA deposits in this manner comply with the Comparable Rate Requirement.

2.3.4 Safe Harbor Rate

The simplest method for meeting the Comparable Rate Requirement is paying the Safe Harbor Rate on IOLTA deposits. The Safe Harbor Rate is indexed to 70% of the current Federal Funds Target Rate², or a rate of 1.0% (100 basis points), whichever is higher.

Financial institutions that choose this option merely need agree to pay the Safe Harbor Rate, and then ensure that the monthly IOLTA interest remitted to LTF meets the Safe Harbor threshold. No further documentation is required. Many eligible financial institutions choose this option due

² When the FFTR is expressed as a range, the point of reference for the Safe Harbor Rate should be the top of the range established by the FOMC.

to the ease of administration and the lack of need to recertify compliance as rates change.

2.4 Compliance Certification

To establish and retain eligible status, LTF periodically requires financial institutions to certify their compliance with the Comparable Rate Requirement described above using one of two certification forms provided by LTF. The two forms correspond to the different approaches (described in Section 2.3) that financial institutions may use to meet the Comparable Rate Requirement: Application for Certification and Safe Harbor Certification. Sections 2.4.1 and 2.4.2 describe both in more detail.

2.4.1 Application for Certification

Financial institutions that seek to meet the Comparable Rate Requirement through any of the methods described in Sections 2.3.1 – 2.3.3 (preferred checking account rate, use of alternative products for high balance accounts, or paying alternative product rates on existing IOLTA accounts) must complete the Application for Certification and submit it (along with the required supporting documentation) to LTF for approval. The Application for Certification requires financial institutions to demonstrate that the rates paid on IOLTA accounts are comparable by supplying the requested information, including:

- Identification of the product type and rate of interest paid on IOLTA accounts;
- Documentation including rate sheets and product descriptions;
- An explanation of how the identified product type and rate meets the Comparable Rate Requirement; and
- An attestation signed by the financial institution's chief executive officer or other executive with appropriate authority.

The Application for Certification is in the Appendix as **Attachment 1** and is available online³.

2.4.2 Safe Harbor Certification

Financial institutions that pay the Safe Harbor Rate (see Section 2.3.4) merely need to state their intention to pay the Safe Harbor Rate on the Safe Harbor Certification Statement and ensure that monthly IOLTA interest remitted to LTF meets the Safe Harbor threshold. No further documentation is required. The Safe Harbor Certification Statement is in the Appendix as **Attachment 2** and is available online⁴.

2.5 Interest Rate Adjustments

To remain eligible, financial institutions that are not using the Safe Harbor Rate option must notify LTF and obtain approval **before** adjusting the interest rate paid on IOLTA accounts. To

³ https://ltf.org/comp-1-application_certification/

⁴ https://ltf.org/comp-2-safe_harbor/

notify LTF of the proposed new rate(s), financial institutions should complete and submit the IOLTA Rate Adjustment Application. The application has the same certification and documentation requirements as the Application for Certification. The IOLTA Rate Adjustment Application is in the Appendix as **Attachment 3** and is available online⁵.

The interest rate change must be approved by LTF as a comparable rate at that financial institution. Failure to comply could result in loss of eligibility to hold IOLTA accounts.

2.6 Account Service Charges and Fees

A financial institution may deduct only *allowable reasonable fees* from the interest earned on each IOLTA account, and only if the financial institution assesses those fees on comparable bank accounts maintained by non-IOLTA depositors. This requirement is established in Rule 1.15B(c)(4) and Rule 1.15C(i).

Allowable fees are limited to:

- per-check charges;
- per-deposit charges;
- fee in lieu of a minimum balance;
- federal deposit insurance fees;
- automated investment (“sweep”) fees; and
- a reasonable maintenance fee, only if those fees are charged on comparable bank accounts maintained by non-IOLTA depositors.

The lawyer or law firm that owns the account is responsible for all other fees, including those for check-printing, wire transfers, non-sufficient funds charges, charge backs, and other handling and convenience fees.

A visual Summary of Allowable Fees on IOLTA Accounts is in the Appendix as **Attachment 4** and is available online⁶.

2.7 Negative Netting is Prohibited

Financial institutions may not deduct service charges and fees that exceed the earnings accrued on an individual IOLTA account for any month from the earnings accrued on other IOLTA accounts held at the financial institution, or from the principal of the account. This practice, “negative netting,” is prohibited under Illinois Rule of Professional Conduct 1.15B(c)(4).

⁵ https://ltf.org/comp-3-rate_adjustment/

⁶ https://ltf.org/comp-4-allowable_fees/

2.8 Waiving Service Charges

Because IOLTA is a charitable program serving public purposes, more than 80% of Illinois financial institutions choose to waive all service charges on IOLTA accounts.

2.9 Trust Account Overdraft Notification

To be eligible to hold any type of client trust account for lawyers or law firms, including IOLTA accounts, financial institutions must agree to report any overdrafts on client trust accounts to the Attorney Registration & Disciplinary Commission (ARDC), which regulates Illinois lawyers. This requirement is in Illinois Rule of Professional Conduct 1.15B(e).

To comply with this requirement, the financial institution must complete and submit a written Trust Account Overdraft Notification Agreement to the ARDC. Under the agreement, financial institutions must provide electronic notice if a client trust account is overdrawn.

LTF does not manage this program, but more information is available from the ARDC online,⁷ including the overdraft agreement form⁸ and a list of the financial institutions that have completed the agreement.

2.10 List of Eligible Financial Institutions

Financial institutions that meet the Comparable Rate Requirement and agree to notify the ARDC of overdrafts are included in the list⁹ of eligible financial institutions maintained by LTF. Many lawyers consult this list when selecting a bank to hold their IOLTA account.

Key Points in Section 2

- ✓ To be eligible to hold IOLTA accounts, financial institutions must pay interest rates on IOLTA accounts that are no less than the rates generally available to non-IOLTA depositors at the same institution when IOLTA accounts meet or exceed the same minimum balance or other account eligibility requirements, if any.
- ✓ To remain eligible, financial institutions must certify compliance with the Comparable Rate Requirement by submitting an **Application for Certification** and supporting documentation to the Lawyers Trust Fund.
- ✓ Financial institutions that agree to pay the Safe Harbor Rate (the higher of 70% of the Federal Funds Target Rate or 1%) are automatically in compliance with the Comparable Rate Requirement. No further documentation is required.

⁷ <https://iarcd.org/educationandoutreach/ClientTrustAccounts>

⁸ <https://iarcd.org/Files/TAON%20Agreement.pdf>

⁹ <https://lftf.org/lawyers/eligible-financial-institutions/>

- ✓ Before changing previously certified rate(s) paid on IOLTA accounts, financial institutions must submit an **IOLTA Rate Adjustment Application** and obtain approval from LTF.
- ✓ Financial institutions may deduct only allowable reasonable fees from the interest earned on IOLTA accounts, and cannot charge fees on IOLTA accounts that are not charged on non-IOLTA accounts. (*Allowable fees and charges are discussed in Section 2.6 and in the **Summary of Allowable Fees on IOLTA Accounts**, Attachment 4 in the Appendix.*)
- ✓ Financial institutions cannot engage in “negative netting,” *i.e.*, fees charged in excess of the earnings accrued on one IOLTA account may not be deducted from the earnings accrued on other IOLTA accounts.

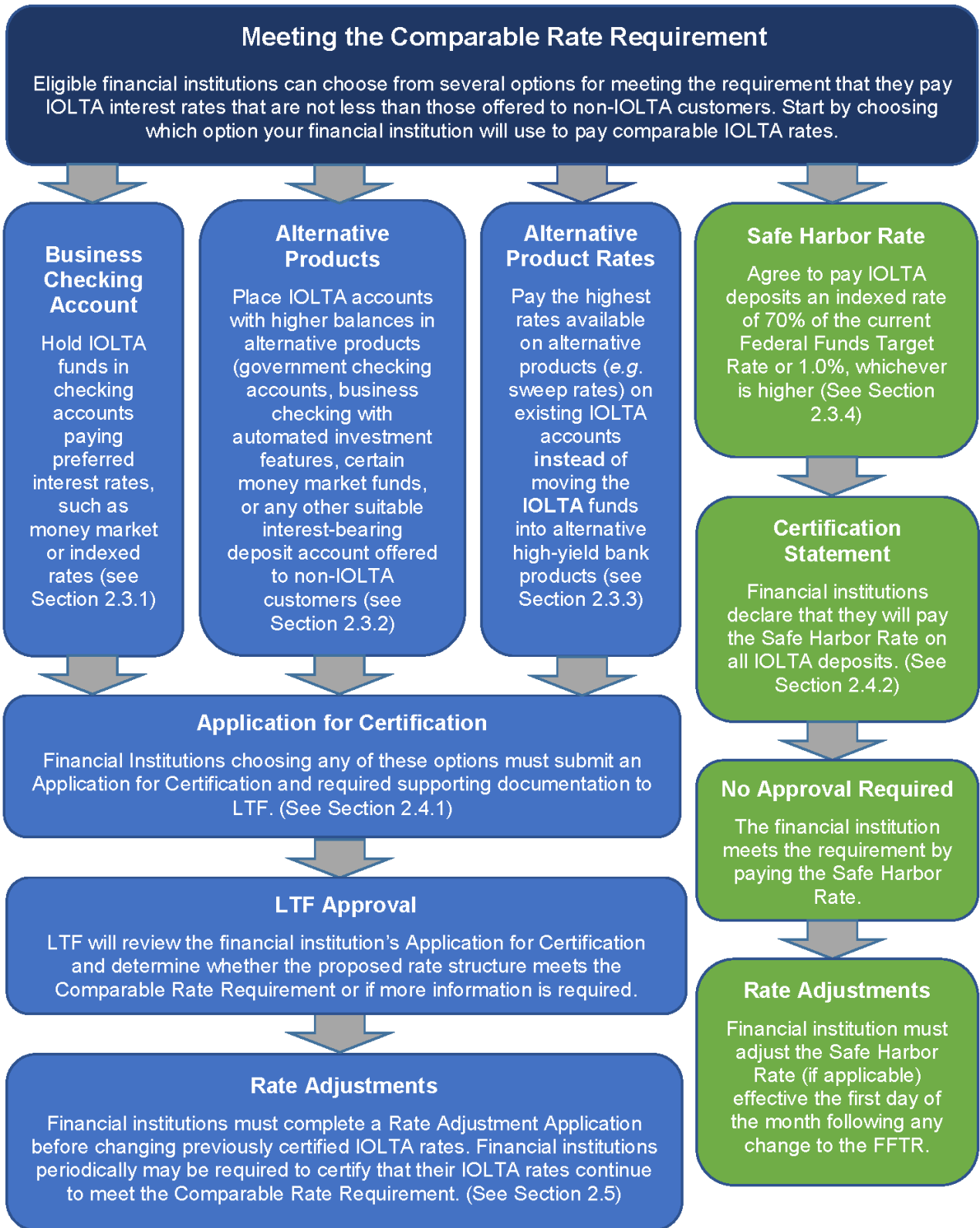


Figure 2.3 – Meeting the Comparable Rate Requirement

Section 3: IOLTA Account Procedures

3.1 Establishing an IOLTA Account

Financial institutions should set up IOLTA accounts as escrow, fiduciary, or trust accounts. Lawyers who want to establish an IOLTA account must complete the Notice to Financial Institution and the Notice of Enrollment, which LTF publishes as a single form. The form is in the Appendix as **Attachment 5** and is available online¹⁰.

3.1.1 Notice to Financial Institution to Establish IOLTA Account

This notice gives authority to the financial institution to establish the account and contains detailed instructions to the bank about issues including naming the account; handling tax issues; and calculating and remitting interest.

3.1.2 Notice of Enrollment

This notice provides information about the new IOLTA account to LTF. This notice should be completed either by the lawyer or the financial institution, and should be sent to LTF via email to IOLTAREPORT@LTF.ORG or by fax to 312.938.3091. Lawyers should keep a copy for their records.

3.2 Multiple IOLTA Accounts

Because IOLTA accounts are pooled and can hold funds belonging to more than one client or third party, most lawyers and law firms use just one such account. However, lawyers and law firms are permitted to have multiple IOLTA accounts.

3.3 Lawyer Funds in IOLTA Accounts

The ethics rules prohibit lawyers from commingling client funds with their own funds. However, a limited exception under Illinois Rule of Professional Conduct 1.15(c) allows lawyers to deposit their own funds in IOLTA accounts for the sole purpose of paying bank service charges or meeting minimum balance requirements. These funds may be deposited only in an amount necessary for that purpose.

3.4 Calculating IOLTA Interest

Interest should be calculated on the average monthly balance in the account, or as otherwise computed in accordance with the financial institution's standard practices. The calculation of IOLTA interest must meet the Comparable Rate Requirement described in Section 2.3.

¹⁰ https://ltf.org/admin-1-notice_establish_account/

Only allowable reasonable fees may be deducted from the amount of gross interest generated by IOLTA accounts. The financial institution may not use the practice of “negative netting” to collect fees on one IOLTA account from the interest earned on other IOLTA accounts. (See Sections 2.7 – 2.8 above, as well as the one-page summary of allowable fees and services charges in the Appendix as **Attachment 4** and available online¹¹.)

3.5 Remitting Interest to the Lawyers Trust Fund

Interest or dividends earned on IOLTA accounts must be remitted to the Lawyers Trust Fund on a monthly basis. Payment is to be made via ACH. Written ACH Interest Remittance Procedures are in the Appendix as **Attachment 6** and available online¹².

Financial institutions should make one lump sum remittance for all of their IOLTA accounts. To facilitate the remittance process, some financial institutions flag and coordinate all their IOLTA accounts to the same closing date or statement cycle.

Financial institutions that do not have the capacity to remit on a monthly basis must contact LTF for approval to make remittances and reports on a quarterly basis.

3.6 IOLTA Interest Remittance Report

Along with the monthly remittance of net interest, financial institutions must also submit an IOLTA Interest Remittance Report.

A properly completed IOLTA Interest Remittance Report allows LTF to record IOLTA interest or dividends by individual lawyer/law firm IOLTA accounts, using the account numbers assigned by the financial institution.

3.6.1 Required Information

Remittance reports must provide the following information for each account:

- Routing number
- IOLTA account number
- Name of the lawyer or law firm
- Account status
- Dates of the period for which interest is remitted
- Interest rate
- Amount of interest earned
- Service charges (if applicable)
- Net interest remitted to LTF
- Account balance for the period for which the report is made

¹¹ https://ltf.org/comp-3-rate_adjustment/

¹² https://ltf.org/info-1-ach_procedures/

3.6.2 Report Format

To complete this report, financial institutions are encouraged to use the Interest Remittance Report Template (in Excel) provided by LTF (in the Appendix as **Attachment 7** and available online¹³). Alternatively, financial institutions may use their own reporting form as long as (1) it is an Excel form, and (2) it contains all of the information identified above and conforms to the specifications in the instructions.

3.6.3 Submit Reports Electronically

All reports must be sent to LTF electronically. Send via an encrypted or secure email to IOLTAREPORT@LTF.ORG. Submit an IOLTA interest remittance report for each reporting period, even if no interest is being paid for the remitting period.

3.7 Account Statements

The financial institution must send the lawyer or law firm that owns the IOLTA account a periodic account statement or report in accordance with its normal procedures. Do not send IOLTA bank account statements to LTF.

3.8 Remittance Errors

Financial institutions should immediately notify LTF upon discovery of any error made in remitting IOLTA interest. Financial institutions must submit a Remittance Error Report/Request for Refund showing both the original remittance information and the corrected information. (The report is in the Appendix as **Attachment 8** and is available online¹⁴.) This form should be submitted via email to IOLTAREPORT@LTF.ORG.

LTF will review the Remittance Error Report/Request and issue a refund of any amount due. The financial institution must wait for a response from LTF rather than making any adjustments or deductions from subsequent IOLTA interest remittances.

Key Points in Section 3

- ✓ To establish an IOLTA account, financial institutions should follow the detailed instructions included in the **Notice to Financial Institutions/Notice of Enrollment** form.
- ✓ Financial institutions must remit IOLTA interest to the Lawyers Trust Fund on a monthly basis via ACH. The payment should be in a lump sum that includes interest earned on all IOLTA accounts.

¹³ https://ltf.org/info-2-remittance_report_template/

¹⁴ https://ltf.org/admin-2-remittance_error_refund/

- ✓ Financial institutions must also submit a monthly **IOLTA Remittance Report** with information on all IOLTA accounts held. The report should be submitted via secure email to IOLTAREPORT@LTF.ORG.
- ✓ If there is an error in an interest remittance, financial institutions should complete and submit a **Remittance Error Report/Request for Refund**. Once documented and verified, LTF will issue a refund of any interest overpayment.
- ✓ All forms referenced above are available at <https://ltf.org/financial-institutions/iolta-forms-reports/>.

Section 4: Other IOLTA Account Issues

4.1 Tax Reporting on IOLTA Accounts

The Lawyers Trust Fund of Illinois is the beneficial owner of the interest generated on IOLTA accounts. Accordingly, financial institutions should use LTF's TIN with respect to the interest or dividends earned on all IOLTA accounts.

LTF is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, which affects the tax reporting related to IOLTA accounts.

4.1.1 Preparing W-9 Forms

Financial institutions preparing a Form W-9 in connection with a new IOLTA account should complete the form as follows:

- Line 1, Account Title: add the name of the Lawyers Trust Fund of Illinois
- Line 2: list the lawyer/firm name on Line 2
- Line 3: check "Other"
- Line 4: use Exemption Code 1 in Line 4
- LTF's TIN should be used as the Employer Identification Number

A properly completed Form W-9 certifies that LTF is not subject to backup withholding, and will avoid tax issues related to misattributed income. A sample Form W-9 is in the Appendix as **Attachment 9** and is available online¹⁵.

4.1.2 No Tax Reporting on IOLTA Accounts

Do not prepare or submit to the IRS any 1099 forms or similar reports regarding interest remitted to LTF from IOLTA accounts. Preparing 1099 forms is not necessary. Furthermore, because LTF's TIN will not match the lawyer or law firm's name on the account, tax reporting on these accounts may cause difficulties for the lawyer, financial institution, and LTF.

LTF recommends that financial institutions use an appropriate code to suppress 1099 forms for IOLTA accounts. This will simplify the administration of IOLTA accounts and help financial institutions avoid difficulties with the IRS.

If a financial institution's data processing system cannot bypass tax reporting, the Lawyers Trust Fund of Illinois should be identified as the payee/recipient of the interest or dividends. Any 1099 forms prepared for IOLTA accounts should be sent directly to LTF at 65 East Wacker Place, Suite 1900, Chicago, IL 60601.

¹⁵ https://ltf.org/info-3-sample_w9/

4.2 Residual, Unidentified, and Unclaimed Funds in IOLTA Accounts

With some regularity, lawyers identify balances on deposit in their IOLTA accounts that do not belong to the lawyer and cannot be paid to a client or third party. In some instances, these residual funds are unidentified and in other cases they are unclaimed.

Depending on the type of funds, lawyers are required to take different steps to account for and distribute these funds. Unidentified funds are subject to Illinois Rule of Professional Conduct 1.15B(d) and unclaimed funds must be handled pursuant to Illinois' Disposition of Unclaimed Property Act. (765 ILCS 1025/1 *et seq.*)

4.2.1 Unidentified Funds

Unidentified funds are defined as those for which the lawyer or law firm lacks adequate documentation to attribute ownership of the funds to any particular client or third party. The ethics rules direct Illinois lawyers to manage these balances with an eye toward ultimately removing them from the IOLTA account.

Specifically, when a lawyer realizes that the IOLTA account contains suspected unidentified funds, the lawyer must make periodic efforts over a period of 12 months to identify the owner and return the unidentified funds. If after 12 months the lawyer believes that continued efforts will not succeed, the rules require the lawyer to remit the unidentified funds to the Lawyers Trust Fund. LTF requires the remitting lawyer to complete and sign an Unidentified Funds Remittance Report (in the Appendix as **Attachment 10** and available online¹⁶).

4.2.2 Unclaimed Funds

If the lawyer knows the accumulated funds belong to someone who cannot be located or who will not cash a check for payment of the funds, the funds are unclaimed. Under the Uniform Disposition of Unclaimed Property Act, funds in an IOLTA account that remain unclaimed for three years should be remitted by the lawyer to the state treasurer through the I-CASH program operated by the Illinois State Treasurer.¹⁷ **Unclaimed funds should not be sent to LTF.**

4.3 Reporting Closed IOLTA Accounts

When a lawyer or law firm closes an IOLTA account, the financial institution should notify LTF by submitting a Notice of IOLTA Account Closing via email to IOLTAREPORT@LTF.ORG. The Notice is in the Appendix as **Attachment 11** and is available online.¹⁸

¹⁶ https://lftf.org/admin-3-unidentified_report/

¹⁷ icash.illinoistreasurer.gov

¹⁸ https://lftf.org/admin-4-iolta_closing/

Once the form is submitted, the financial institution should no longer include the account in the monthly IOLTA Interest Remittance Report.

Key Points in Section 4

- ✓ Because LTF is the beneficial owner of the interest earned on IOLTA accounts, financial institutions should use LTF's TIN for the interest generated on all IOLTA accounts.
- ✓ When completing W-9 forms for new IOLTA accounts, financial institutions should carefully follow the detailed instructions provided in Section 4.1.1 to avoid any potential complications with the IRS for lawyer customers.
- ✓ Financial institutions **should not** prepare or submit to the IRS any 1099 forms or other reports of interest or dividends paid to LTF from IOLTA accounts. LTF's taxpayer identification number will not match the lawyer or law firm's name on the account, which could result in notices and/or penalties from the IRS. Financial institutions should suppress the creation of 1099s for IOLTA accounts.
- ✓ Lawyers may from time to time discover either unclaimed or unidentified client funds in their IOLTA accounts. Consult Section 4.2 for more information on procedures and guidelines regarding how lawyers should deal with these funds, including the remittance of unidentified funds to LTF.
- ✓ When a lawyer or law firm closes an IOLTA account, the financial institution should submit a **Notice of IOLTA Account Closing** form to LTF.

Additional Tips

- **Distribute this IOLTA procedure manual to branch personnel.** Most financial institutions develop IOLTA operating procedures at their main office or branch operations center. However, because lawyers and law firms may ask questions or give the Notice to Eligible Financial Institution form to new account or other lobby personnel, it is important that financial institutions distribute their IOLTA procedures, and any updates, to those branch personnel who most often deal directly with customers. Branch personnel are encouraged to call LTF with questions.

- **Designate an IOLTA contact person.** Financial institutions are encouraged to designate an IOLTA contact person to serve as a liaison between the institution and LTF. Financial institutions should advise LTF of any new IOLTA contact by sending the contact's name, title, address, phone, fax, and email address to IOLTAREPORT@LTF.ORG.

- **Contact LTF.** LTF is available to answer questions and help financial institutions regarding IOLTA accounts. In addition to accessing IOLTA-related information on LTF's website (www.ltf.org), financial institutions are encouraged to contact LTF with any questions via email (IOLTAREPORT@LTF.ORG) or phone (312.938.2906).

Appendix

Attachment 1: Application for Certification

Attachment 2: Safe Harbor Certification Statement

Attachment 3: IOLTA Rate Adjustment Application

Attachment 4: Summary of Allowable Fees on IOLTA Accounts

Attachment 5: Notice to Financial Institution to Establish IOLTA
Account/Notice of Enrollment

Attachment 6: ACH Interest Remittance Procedures

Attachment 7: Remittance Report Template

Attachment 8: Remittance Error Report/Request for Refund

Attachment 9: Sample W-9 Form

Attachment 10: Unidentified Funds Remittance Report

Attachment 11: Notice of IOLTA Account Closing

LAWYERS TRUST FUND OF ILLINOIS
Application for Certification

Financial institutions that wish to hold IOLTA deposits must complete this Application for Certification to demonstrate that their IOLTA product offerings and rates meet the Comparable Rate Requirement established by Illinois Rule of Professional Conduct 1.15B. This Application for Certification must be completed, signed by the Chief Executive Officer or other authorized executive officer, and accompanied by adequate supporting documentation. Return the application to the Lawyers Trust Fund for approval.

Declaration of the Financial Institution:

We have reviewed the options permitted under Illinois Rule of Professional Conduct 1.15B(c) to provide IOLTA accounts with a yield that is not less than that paid to comparable non-IOLTA depositors. As a result, we will:

A. Adjust the interest rate paid on IOLTA accounts to be comparable to the rate paid on an existing product type:

Product Type: _____ Interest Rate: _____ % Effective Date: _____

B. Convert existing IOLTA accounts to a new or existing product type:

Product Type: _____ Interest Rate: _____ % Effective Date: _____

C. Other (please describe): _____

(Please attach additional pages if necessary)

Documentation Requirement: Please attach substantiating documentation to expedite your application, including: deposit rate sheets, product descriptions, and any analysis or explanation in support of the above. Undocumented or incomplete applications will not be certified.

Name of financial institution: _____

Name of person executing the form: _____

Title: _____

Address: _____

Telephone : _____ Email: _____

Contact person (if different from above): _____

Title: _____

Address: _____

Telephone : _____ Email: _____

I certify that the above information is accurate.

Signature: _____

Date: _____

Return this Application and documentation via email or fax:

Lawyers Trust Fund of Illinois

Email: IOLTAREPORT@LTF.ORG

Fax: 312.938.3091

Note: Completion and acceptance of this statement pertains only to eligibility to hold IOLTA deposits under Rule 1.15B and the interest rate comparability requirements in Rule 1.15B(c). To be eligible to hold any lawyer trust accounts, a financial institution must also complete an agreement to report trust account overdrafts to the Attorney Registration & Disciplinary Commission. More information about this requirement can be found at www.iardc.org.

LAWYERS TRUST FUND OF ILLINOIS
Safe Harbor Certification Statement

Please complete and sign this Certification Statement if your financial institution is choosing the Safe Harbor option for maintaining eligibility to hold IOLTA accounts under Illinois Rule of Professional Conduct 1.15B. This statement should be signed by the Chief Executive Officer or other authorized executive officer of the financial institution.

Declaration of the Financial Institution:

To satisfy the Comparable Rate Requirement, we agree to pay a variable interest rate on all IOLTA accounts which is **70% of the Federal Funds Target Rate**, referred to as the Safe Harbor Rate, and **or 1.00%, whichever is higher** (see Illinois Rule of Professional Conduct 1.15). The current **Federal Funds Target Rate** is _____%. The current **Safe Harbor Rate** is _____%**APY**.

We agree to pay an initial interest yield (APY) of:

%

This rate will be effective on the following date:

/ /

We further agree to adjust the interest rate above in accordance with any changes in the Federal Funds Target rate. We understand the Lawyers Trust Fund will attempt to notify us of changes to the Federal Funds Target Rate, but that it is our obligation to ensure our rate change is effective on or before the first business day of the month following any rate change announced by the Federal Open Markets Committee.

Name of financial institution: _____

Name of person executing the form: _____

Title: _____

Address: _____

Telephone : _____ Email: _____

Contact person (if different from above): _____

Title: _____

Address: _____

Telephone : _____ Email: _____

I certify that the above declaration and information are accurate.

Signature: _____

Date: _____

Return this form via email or fax:
Lawyers Trust Fund of Illinois
Go ~~ck~~ IOLTAREPORT@LTF.ORG"
Fax: 312.938.3091

Note: Completion and acceptance of this statement pertains only to eligibility to hold IOLTA deposits under Rule 1.15 B and the interest rate comparability requirements of Rule 1.15B(c). To be eligible to hold any lawyer trust accounts, a financial institution must also complete an agreement to report trust account overdrafts to the Attorney Registration & Disciplinary Commission. More information about this requirement can be found at www.iardc.org.

LAWYERS TRUST FUND OF ILLINOIS
IOLTA Rate Adjustment Application

Financial institutions that seek to change the interest rate paid on IOLTA deposits must complete this Rate Adjustment Application to demonstrate that their IOLTA product offerings and rates will continue to meet the Comparable Rate Requirement established by Illinois Rule of Professional Conduct 1.15B. This application must be completed, signed by the Chief Executive Officer or other authorized executive officer, and accompanied by adequate supporting documentation. Return the application to the Lawyers Trust Fund for approval before implementing the proposed rate adjustment. Note: Financial institutions that agree to pay the Safe Harbor rate do not have to complete this application when seeking to make rate adjustments.

Current Rate: _____ **Proposed Rate:** _____

Declaration of the Financial Institution:

We have reviewed the options permitted under Illinois Rule of Professional Conduct 1.15B (c) to provide IOLTA accounts with a yield that is not less than that paid to comparable non-IOLTA depositors. As a result, we will:

A. Adjust the interest rate paid on IOLTA accounts to be comparable to the rate paid on an existing product type:

Product Type: _____ Interest Rate: _____ % Effective Date: _____

B. Convert existing IOLTA accounts to a new or existing product type:

Product Type: _____ Interest Rate: _____ % Effective Date: _____

C. Other (please describe): _____

(Please attach additional pages if necessary)

Documentation Requirement: Please attach substantiating documentation to expedite your application, including: deposit rate sheets, product descriptions, and any analysis or explanation in support of the above. Undocumented or incomplete applications will not be certified.

Name of financial institution: _____

Name of person executing the form: _____

Title: _____

Address: _____

Telephone : _____ Email: _____

Contact person (if different from above): _____

Title: _____

Address: _____

Telephone : _____ Email: _____

I certify that the above information is accurate.

Signature: _____

Date: _____

Return this Application and documentation via email or fax:

Lawyers Trust Fund of Illinois

Email: IOLTAREPORT@LTF.ORG

or Fax: 312.938.3091

Note: Completion and acceptance of this statement pertains only to eligibility to hold IOLTA deposits under Rule 1.15B and the interest rate comparability requirements of Rule 1.15B(c). To be eligible to hold any lawyer trust accounts, a financial institution must also complete an agreement to report trust account overdrafts to the Attorney Registration & Disciplinary Commission. More information about this requirement can be found at www.iardc.org.

Summary of Allowable Fees on IOLTA Accounts

Illinois Rule of Professional Conduct 1.15B¹ places limits on the account fees and service charges an eligible financial institution can collect from the gross interest earned on IOLTA accounts.

Allowable Reasonable Fees

A financial institution may deduct only **allowable reasonable fees** from the interest earned on each IOLTA account, and only if the financial institution assesses those fees on comparable bank accounts maintained by non-IOLTA depositors. This requirement is established in Rule of Professional Conduct 1.15B(c) and 1.15C(i). This table summarizes what may be deducted from IOLTA interest as allowable reasonable fees, and what are fees that should be paid by the lawyer or law firm that owns the IOLTA account:

Allowable Reasonable Fees

- per-check charges
 - per-deposit charges
 - fee in lieu of a minimum balance
 - federal deposit insurance fees
 - automated investment (“sweep”) fees
 - a reasonable maintenance fee (only if same fees are charged on comparable bank accounts maintained by non-IOLTA depositors)
- Only these fees may be deducted from gross IOLTA interest

Fees Chargeable to Account Holders

The lawyer or law firm that owns the IOLTA account is responsible for all other fees, including those for:

- check-printing
 - wire transfers
 - non-sufficient funds or overdrafts
 - charge backs
 - other handling and convenience fees
- Financial institutions *may not* deduct these fees from gross IOLTA interest



No Negative Netting

Financial institutions may not deduct allowable reasonable fees that exceed the earnings accrued on an individual IOLTA account for any month from the earnings accrued on other IOLTA accounts held or from the principal of the account. **This practice – negative netting – is explicitly prohibited** by Illinois Rule of Professional Conduct 1.15B(c).

Waiving Service Charges

Because IOLTA is a charitable program serving public purposes, more than 80% of Illinois financial institutions choose to waive all service charges on IOLTA accounts.

Questions? Contact the Lawyers Trust Fund of Illinois at 312.938.3906 or IOLTAREPORT@LTF.ORG.

¹ This is the same rule that requires lawyers to hold IOLTA funds only at financial institutions that pay comparable rates on IOLTA accounts.

NOTICE TO FINANCIAL INSTITUTION TO ESTABLISH IOLTA ACCOUNT

Instructions for Lawyers

Fill out both pages of this form and return via email or fax to the Lawyers Trust Fund of Illinois.

To: _____ From: _____
(Financial Institution) (Lawyer/Firm)

(Financial Institution Address) (Lawyer/Firm Address)

(City, State, Zip Code) (City, State, Zip Code)

Date: _____



Email: IOLTAREPORT@LTF.ORG
Fax: 312.938.3091

Pursuant to Illinois Rule of Professional Conduct 1.15B, the undersigned directs the financial institution to establish an interest- or dividend-bearing lawyer trust account with interest or dividends payable to the Lawyers Trust Fund of Illinois (hereinafter "IOLTA account") for the deposit of nominal and short-term client funds.

Instructions for Financial Institutions

The Federal Reserve System and the Federal Home Loan Bank Board have approved the establishment of IOLTA accounts by law firms, including professional corporations. The Lawyers Trust Fund will provide supporting documentation regarding government rulings upon request.

Eligible Financial Institution: IOLTA accounts may be maintained only at an eligible financial institution as defined in Rule 1.15B(c). Eligible financial institutions must offer IOLTA accounts that meet the Comparable Rate Requirement of Rule 1.15B and must agree to provide dishonored instrument notification pursuant to Rule 1.15B(e).

Account Name: The IOLTA account and checks printed for customers' use **CANNOT** identify the Lawyers Trust Fund in its account title, as designee, trustee or owner. Instead, the account name should include the name of the lawyer or law firm and a designation such as client funds account, IOLTA account, or client trust account.

Tax Information: Any interest earned on this IOLTA account should be attributed to the TIN of the Lawyers Trust Fund of Illinois (contact LTF for details). IRS Form W-9 should bear the LTF's TIN as payee and certify exemption from backup withholding taxes. Contact the Lawyers Trust Fund for a signed Form W-9.

The Lawyers Trust Fund is tax-exempt. **No Form 1099 should be issued** for the IOLTA account. Further, a payor is not liable for a penalty under Section 6676(b) for filing an information return with a mismatched TIN number when, pursuant to IRS regulation Section 35a.9999-1, A-29, and IRS Publication 1281 (Rev. 8-90), p. 42, the payee is an exempt organization.

Interest calculation: Interest should be calculated on the average monthly balance in the account, or as otherwise computed in accordance with the financial institution's standard practices.

Interest remittance: Interest must be remitted electronically to the Lawyers Trust Fund **monthly** unless otherwise approved by the Lawyers Trust Fund. Remittances must be sent via **ACH to Bank of America (contact LTF for details)**. **ONLY if approved**, checks can be mailed to: **Lawyers Trust Fund of Illinois, P.O. Box 64547, Chicago, Illinois 60664**.

Reporting requirements: Each remittance must be accompanied by an **Interest Remittance Report** that is sent electronically via secure or encrypted email to IOLTAREPORT@LTF.ORG unless otherwise approved by the Lawyers Trust Fund. If approved, reports can be submitted via fax to 312.938.3091.

For each account, the Interest Remittance Report must contain: 1) Bank routing number, 2) Account Number, 3) Name of the lawyer or law firm; 4) Account Status; 5) Dates of reporting period; 6) Rate of interest paid; 7) Gross interest; 8) Allowable service charges, if any; and 8) Net interest remitted.

Negative netting is not permitted. Under no circumstances can the negative interest balance be deducted from the corpus of an IOLTA account. Fees charged in excess of the earnings accrued on an individual account for any month cannot be taken out of earnings accrued on other IOLTA accounts nor from the principal of the account.

Questions: Call Monday - Friday, 9 a.m. to 4 p.m. (312) 938-2906 or via email to: IOLTAREPORT@LTF.ORG

NOTICE OF ENROLLMENT IN THE IOLTA PROGRAM

After completing send this notice to the Lawyers Trust Fund

via email: IOLTAREPORT@LTF.ORG

via fax: 312.938.3091

Date: _____

The undersigned, in accordance with Illinois Rule of Professional Conduct 1.15B, has established an IOLTA account for the deposit of IOLTA-eligible client funds with the eligible financial institution specified below. I have directed the financial institution to remit interest on the account to the Lawyers Trust Fund of Illinois. My/my law firm's contact and account information are below.

FINANCIAL INSTITUTION INFORMATION:

(Account Name) (Account Number)

(Financial Institution) (Routing Number)

(Financial Institution Address)

(City) (State) (Zip Code)

(Financial Institution Contact) (Telephone Number) (County)

LAWYER INFORMATION:

(Lawyer or Law Firm) *Print Name*

(By) *Signature*

(Firm Address)

(City) (State) (Zip Code)

(Telephone Number) (County) (Email Address)



ACH INTEREST REMITTANCE PROCEDURES

The Lawyers Trust Fund no longer accepts checks as payment for interest earned on Interest on Lawyers Trust Accounts (IOLTA). **ALL FINANCIAL INSTITUTIONS are required to remit interest earned on IOLTA accounts via ACH.**

ACH Instructions

Financial Institution:	Bank of America
ABA No.:	0710-0003-9
Account Name:	Lawyers Trust Fund of Illinois
Account No.:	8666227095

Identify the financial institution's name in the description when remitting interest via ACH.

Remittance Report

Each remittance must be accompanied by an **Interest Remittance Report**. This report is to be sent electronically via a secured or encrypted file to IOLTAREPORT@LTF.ORG ***without exception.***

Note

The practice of negative netting is prohibited. Under no circumstances can a negative interest balance be deducted from the corpus of an IOLTA account. Fees charged in excess of the earnings accrued on an individual account for any month cannot be taken out of earnings accrued on other IOLTA accounts nor from the principal of the account.

Questions

Call LTF at 312.938.2906 or send an email to IOLTAREPORT@LTF.ORG.

INTEREST REMITTANCE REPORT INSTRUCTIONS

Financial institutions must submit monthly Interest Remittance Reports electronically, as specified in Illinois Rule of Professional Conduct 1.15. Financial institutions should use the Remittance Report Template provided by LTF or an Excel spreadsheet that includes the information below. *ALL* dollar values must include decimal point and cents, excluding commas. **DO NOT use any column titles, headers, footers or formulas (hidden or otherwise) in the Excel spreadsheet.**

The completed spreadsheet must adhere to these specifications:

Column A: 8-digit Routing Number	0710-0000 (Exclude last digit of routing number)
Column B: Account Number	123456789
Column C: Account Name	Law Offices of John D. Smith
Column D: Account Status	N=New, C=Closed (Leave blank if active)
Column E: Interest Beginning Date	MM/DD/YYYY
Column F: Interest Ending Date	MM/DD/YYYY
Column G: Interest Rate	1.50 (1.50%) (Do not include percent sign)
Column H: Interest Earned	000000.00
Column I: Service Charge	000000.00
Column J: <u>(Always leave blank with a 0 value)</u>	
Column K: Total Remittance	000000.00
Column L: Account Balance	000000.00

The completed report should follow the format shown in the next tab of this workbook (titled **Report Template).** Financial institutions may populate the template with their own data, save a local copy of the workbook, and submit it to LTF.

Send the completed report via email to IOLTAREPORT@LTF.ORG

Note: Once the financial institution has closed an account (and sent a Notice of Account Closing to LTF) the account should no longer be included in the monthly IOLTA Interest Remittance Report.

If you have any questions contact LTF at IOLTAREPORT@LTF.ORG or call 312.938.2906.

Routing Number	Account Number	Account Name (Lawyer/Law Firm Name)	New or Closed (n/c)	Interest Start Date	Interest End Date	Interest Rate	Interest Earned	Service Charges (if not waived)	Leave Blank	Remains Zero	Average Account Balance
2710-7080	56789	ABC Law Firm LLC	n	11/1/2021	11/30/2021	0.100	125.04	0.00	0.00	125.04	123456.00
2710-7080	12345	Smith Brown & Cage		11/1/2021	11/30/2021	0.100	13.59	3.00	0.00	10.59	11248.92
2710-7080	858585	Legal Services Group		11/1/2021	11/30/2021	0.100	52.11	3.00	0.00	49.11	75311.45

LAWYERS TRUST FUND OF ILLINOIS
Remittance Error Report/Request for Refund

Financial Institution:

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Contact: _____ Email: _____

Title: _____ Phone No.: _____

Lawyer/Law Firm:

Name: _____

Address: _____

City : _____ State: _____ Zip Code: _____

IOLTA Account No: _____

Title: _____ Phone No.: _____

Erroneous Remittance Information:

	Actual Transaction	Corrected Transaction
Reporting period:	_____ to _____	_____ to _____
Interest Rate:	_____ %	_____ %
Gross Interest Earned for period:	_____	_____
Service Charges (if any):	_____	_____
Net Interest Earned for period:	_____	_____

Explanation of Error/Request for Refund:

I certify that the above information is accurate.

(Authorized Official Signature)

(Name)

(Title)

(Email Address)

(Date)

NOTE: You must receive an acknowledgment from LTF before making any adjustments or deductions from future IOLTA interest remittances.

Return this form via email or fax, to: IOLTAREPORT@LTF.ORG

Fax: 312.938.3091

For more information:

Call 312.938.3906 or email IOLTAREPORT@LTF.ORG

Visit LTF online: www.ltf.org

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
 See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. LAWYERS TRUST FUND OF ILLINOIS	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input checked="" type="checkbox"/> Other (see instructions) ▶	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) <u> 1 </u> Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
6 City, state, and ZIP code	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
or									
Employer identification number									
3	6		-	3	2	1	3	1	3

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

LAWYERS TRUST FUND OF ILLINOIS

INSTRUCTIONS FOR REMITTING UNIDENTIFIED FUNDS

Illinois Rule of Professional Conduct 1.15B requires lawyers to address any unidentified funds accumulated in their IOLTA accounts:

A lawyer who learns of unidentified funds in an IOLTA account must make periodic efforts to identify and return the funds to the rightful owner. If, after 12 months of the discovery of the unidentified funds, the lawyer determines that further efforts to ascertain the ownership or secure the return of the funds will not succeed, the lawyer must remit the funds to the Lawyers Trust Fund of Illinois.

(The complete rule, along with additional information is available at www.ltf.org.)

Remitting Unidentified Funds

If you believe you are holding unidentified funds in an IOLTA account, please follow these instructions:

Step 1: Are the funds unidentified? Rule 1.15C(j) defines unidentified funds as “amounts accumulated in an IOLTA account that cannot be documented as belonging to a client, a third person, or the lawyer or law firm.”

- If the accumulated funds belong to a known owner (a client or third person) who cannot be located or who will not cash a check for payment of the funds, the funds are **unclaimed**. Under the Uniform Disposition of Unclaimed Property Act (765 ILCS 1025/1 *et seq.*), funds that remain unclaimed for three years may be remitted to the Illinois State Treasurer through the I-CASH program. (More information is available at icash.illinoistreasurer.gov.) **Do not remit unclaimed funds to the Lawyers Trust Fund.**
- If you determine that the accumulated funds cannot be identified as belonging to a client or third person, or documented as belonging to the lawyer or law firm, proceed to Step 2.

Step 2: Have you met the 12-month requirement? After the discovery of unidentified funds, Rule 1.15B(d) requires lawyers to make periodic efforts over 12 months to identify the owner of the funds and return them.

- If ownership of the unidentified funds is ascertained during the 12-month period, the lawyer should return the funds to the owner. If the owner cannot be located or does not accept payment of the funds, the lawyer should treat them as unclaimed funds. **These funds should not be remitted to the Lawyers Trust Fund.**
- After 12 months of periodic efforts to identify and return the funds, if the lawyer determines that further efforts will not succeed, **the funds must be remitted to the Lawyers Trust Fund.**

Step 3: Remit unidentified funds using this report. To remit funds, complete page 2 of this form with required information and signed verification. Send the completed form and a check for the amount of the unidentified funds **payable to the Lawyers Trust Fund of Illinois** to:

**Lawyers Trust Fund of Illinois
P. O. Box 64547
Chicago, IL 60664**

The Lawyers Trust Fund will send an electronic acknowledgement of the remittance and report to the email address supplied in Section A on page 2 of this form.

Step 4 (optional): Are you closing your IOLTA account? If you are remitting unidentified funds because you have retired or are leaving practice, you should close your IOLTA account by contacting your financial institution. Please send a Notice of Account Closing to LTF.

Do you need assistance? Contact LTF General Counsel David Holtermann: 312-938-3076 or david@ltf.org.

LAWYERS TRUST FUND OF ILLINOIS

P. O. Box 64547

Chicago, IL 60664

UNIDENTIFIED FUNDS REMITTANCE REPORT

This form is for the remittance of unidentified funds from IOLTA accounts pursuant to Illinois Rule of Professional Conduct 1.15

A. PERSON MAKING REPORT

1. Name:

Address:

3. Phone:

5. Email:

2. Law Firm Name: (if applicable)

Address:

4. ARDC Number: (if applicable)

B. IOLTA ACCOUNT OWNER INFORMATION: (Complete only if different from reporting lawyer)

1. Name:

Address:

3. Phone:

2. Law Firm Name: (if applicable)

Address:

4. ARDC Number: (if applicable)

C. IOLTA ACCOUNT & UNIDENTIFIED FUNDS INFORMATION:

1. Financial Institution Name/Address:

Address:

3. Amount of Unidentified Funds Remitted:

4. Provide additional details (optional).

2. Account Information:

Routing Number

Account Number

(Enclose check for above amount payable to: Lawyers Trust Fund of Illinois)

REMINDER: Remit only funds that are unidentified and after satisfying the 12-month requirement.

D. VERIFICATION: I verify that the information reported on this form is true and correct, and that I am remitting the unidentified funds referenced above pursuant to Rule of Professional Conduct 1.15B.

Signature (if unsigned, report will be returned)

Date

Print Name

Mail the report & remittance check to Lawyers Trust Fund, P. O. Box 64547, Chicago IL 60664

FOR OFFICE USE ONLY

Table with 5 columns: BATCH NUMBER, FINANCIAL INSTITUTION NAME, ROUTING NO., CHECK NO., DATE POSTED

Notice of IOLTA Account Closing



FINANCIAL INSTITUTION INFORMATION

_____ Name of Financial Institution	_____ ABA Routing Number
_____ Address (<i>Street, City, State, Zip Code</i>)	(_____)_____ Telephone
From: _____ IOLTA Contact Person	_____ Date Sent

ACCOUNT INFORMATION

Account Name

Account Number

Account Closing Date

Return this form via email (IOLTAREPORT@LTF.ORG) or fax (312.938.3091)

Thank you for your assistance in helping us keep accurate records. If you have any questions, please call 312.938.2906 or email IOLTAREPORT@LTF.ORG.