

Notice to Financial Institutions

From:

To:

Oregon legal practitioners 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 legal practitioners 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 legal practitioner 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 the fiduciary nature of the account must be disclosed in bank records, for example, including “Lawyer Trust Account” or “IOLTA” in the account name (“ABC Law Firm Lawyer Trust Account” or “Sam Doe IOLTA”).
2. Funds deposited in this account must be kept separate from the law firm’s or practitioner’s general account.
3. Legal practitioners 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, PO Box 8367, Portland, OR 97207.
5. The interest remittance must be accompanied by a report that includes the name of the practitioner 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 legal practitioner or law firm in whose name this account is carried must receive the regular statement customary to the account.

Direct inquiries concerning the IOLTA program to:

Oregon Law Foundation

PO Box 8367
Portland, OR 97207

Telephone: 503-447-3353
www.oregonlawfoundation.org