



Using Quicken 2011 for Trust Accounting

Years ago my friend and colleague [Dee Crocker](#) developed instructions for using [Quicken](#) for lawyer trust accounting. Granted, [Quicken](#) is not a full-fledged accounting program – no dispute there – but it is often the only affordable solution for lawyers opening a new practice. Recently I [updated our detailed instructions](#) for setting up a trust account in [Quicken 2011](#). Here are the highlights:

Setting Up an Account

Use the “Advanced Setup” feature when creating your account. This allows you to enter transactions manually instead of connecting to your bank online. Create the account using the first day of the month when your account was opened. For example – if you opened your trust account on January 10, 2011, use January 1, 2011 when you set it up in [Quicken](#). Begin with a zero balance.

Customizing the Toolbar for the Law Office

Once the account is created, the next step is to customize the toolbar. Ask to see all toolbar choices, then add “Tag List” and “Reconcile an Account...” to the toolbar. The Tag List is the means by which individual client funds are tracked. (More on that in a moment.) Adding it to the toolbar makes it easier to associate deposits and payments with a particular client or matter.

Categories

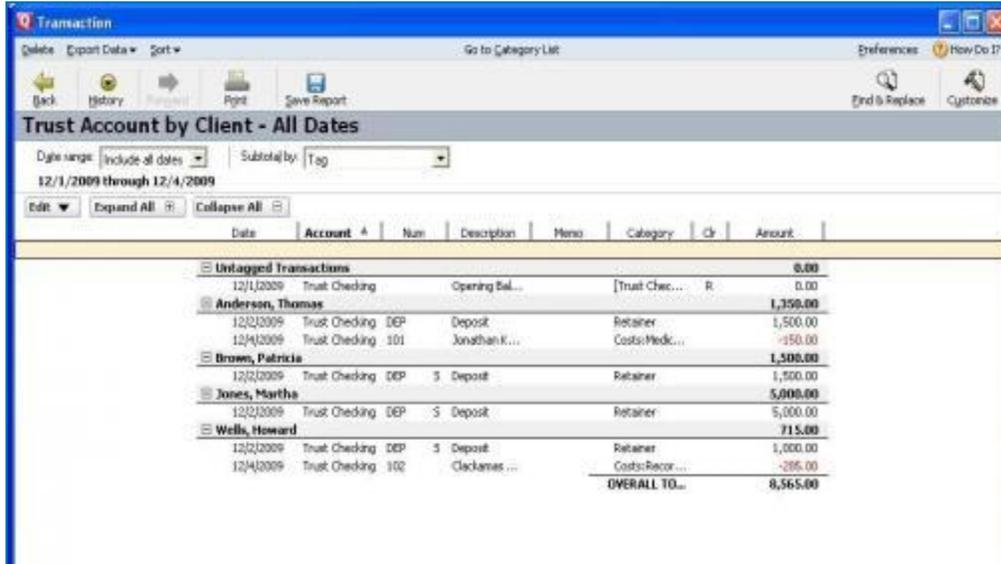
Next, add appropriate law office income and expense categories. For example, create Income categories for Retainer and Settlement Funds. Create Expense categories and subcategories for client costs.

Entering Transactions using the Tag List

The key here is to use the Tag List. (Remember we added this feature to the toolbar?) As each transaction is entered, it is categorized. While in the category field, click Tag List in the [Quicken](#) toolbar and select a client from the Tag List. If the client does not already appear, he or she can easily be added. Finish the transaction, hit <enter>. By tagging transactions, you can easily track payments and deposits on each client’s behalf.

Creating Reports

You can reap the benefits of using the Tag List when you create and run reports. Select Reports > Banking > Transaction. Modify the standard Transaction Report by including all dates in the date range and asking [Quicken](#) to subtotal by Tag and sort by Account/Date. [See the complete instructions here](#). Save the modified report, add it to your toolbar for easy access, and you're ready to go. Here is a sample report:



The screenshot shows the Quicken Transaction report window. The title bar reads "Transaction". The menu bar includes "Delete", "Export Data", and "Sort". The toolbar contains "Back", "History", "Refresh", "Print", and "Save Report". The report title is "Trust Account by Client - All Dates". The date range is "12/1/2009 through 12/4/2009". The subtotal is by "Tag". The report is sorted by "Account/Date". The data is organized into sections for each client, with subtotals for each client and an overall total.

Date	Account	Num	Description	Memo	Category	Cl	Amount
Unlagged Transactions							0.00
12/1/2009	Trust Checking		Opening Bal...		[Trust Chec...	R	0.00
Anderson, Thomas							1,350.00
12/2/2009	Trust Checking DEP		Deposit		Retainer		1,500.00
12/4/2009	Trust Checking 101		Jonathan K...		Costs:Medic...		-150.00
Brown, Patricia							1,500.00
12/2/2009	Trust Checking DEP	S	Deposit		Retainer		1,500.00
Jones, Martha							5,000.00
12/2/2009	Trust Checking DEP	S	Deposit		Retainer		5,000.00
Wells, Howard							715.00
12/2/2009	Trust Checking DEP	S	Deposit		Retainer		1,000.00
12/4/2009	Trust Checking 102		Clackamas ...		Costs:Reco...		-285.00
OVERALL TO...							8,565.00

To see transactions for one client only, access your saved Report, click on Customize, then click on Tags. Select "Clear All," then check the desired client's name, and click OK.

Parting Thoughts

Is this double-entry bookkeeping? No. Does [Quicken](#) do time and billing? No. Is this a pretty basic solution to trust accounting? Absolutely! And that's the beauty of it for some folks. It fits their pocket book and their comfort level with technology. If you think you might want to use [Quicken](#) for trust accounting, see the step-by-step instructions [here](#).

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