



Sterling National Bank

“Escrow Management: Best Practices to Increase Revenue”
(Show Me the Money)

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October 18th, 2019

Agenda

1. Introductions
2. Summary & Background- IOLA/IOLTA
3. Overview of Escrow Accounts
4. Sub-accounts & Accounting
5. Escrow Considerations
6. Five Key Questions to Ask: “Show me the Money”
7. Q/A

Introductions

Luis A. Rivera, Esq.

Associate Managing Director, VP
Law Firm Banking Group



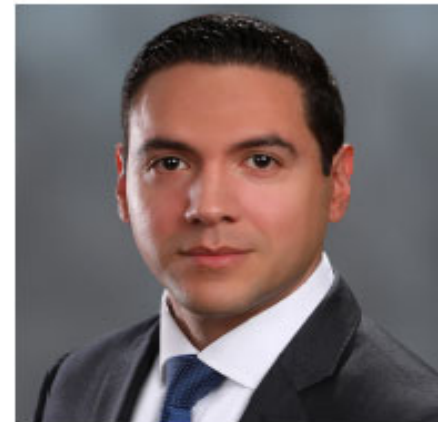
With a law degree, Luis can relate to the specific challenges attorneys face in running a law practice and is passionate about using his experience to help clients help their clients.

He holds a Bachelor of Arts from the State University of New York at Albany and a Juris Doctor degree from Pace University School of Law. A member of the Westchester County Bar Association, New York State Bar Association and American Bar Association, he is involved with the Legal Services of Hudson Valley and the Pace Women's Justice Center.

Put Luis' experience to work for your business:
Contact him at [914-771-3286](tel:914-771-3286) or lrivera2@snb.com.

Jeffrey Mercado, MBA, CFP

Co-Head, Senior Managing Director
Law Firm Banking Group



Jeffrey is passionate about providing his clients with a competitive edge by helping them embrace new Financial Technology solutions.

His experience, combined with his in-depth knowledge and education, has made Jeffrey uniquely able to create solutions for even the most complex problems that law firms and individual attorneys face.

Jeffrey holds an MBA from Columbia Business School, a BA in Economics from the University of Maryland, and CFP® designation by the Certified Financial Planner Board of Standards, Inc. His Bar Association memberships include Nassau and Westchester County and the Hispanic Bar Association of New Jersey. He's a member of the ALA of NYC and Long Island.

Out of the office, Jeffrey is a frequent guest speaker at Columbia Business School.

Put Jeffrey's experience to work for you:
Contact him at [212-575-2887](tel:212-575-2887) or jmercado@snb.com.

Presentation Summary

To provide an overview of IOLA/IOLTA, Escrow and operating account management and best practices to meet the financial demands of the firm.

- We will discuss different options available to administrators on how to facilitate your record keeping.
- In addition, we will discuss documents needed for both IOLA/IOLTA accounts, IOLA subaccounts and individual escrow subaccounts. Topics discussed will also include regulations and differences in laws surrounding IOLA accounts in various states.
- Discuss key questions you should be asking your bank that could result in significant savings and more revenue to your firm.

Overview of Escrow Accounts

I. Definition

I. What is IOLA/IOLTA

- a. NY, NJ and CT distinctions
- b. Where does the Interest Generated in IOLA go?
 - Organizations providing direct civil legal assistance to the poor; and
 - Programs that promote the Administration of Justice and provide civil legal service to other underserved populations, such as the elderly or disabled (21 NYCRR §7000,13).

II. Types of escrow accounts popular with law firms

a. Attorney Trust Accounts

- Interest to benefit of the client

b. IOLA Fund Accounts

- Interest to the benefit to the State IOLA/IOLTA Fund

Sub-accounts & Accounting

The benefits of subaccounts for escrow:

- Segregation of individual client funds
- Ease of reference of use
- Efficient accounting
- Client benefit of receiving Interest “Attorney Trust Account subs only”

The benefits of managing sub-accounts online:

- Secure login
- Flexible ad-hoc reporting
- Granular user entitlements
- Payment solutions including Wire and Checks
- Transaction approvals to maintain tight controls
- Seamless integration across desktop and mobile devices

Demo

1. [Account online access video demo](#)
 2. User and Administrator capabilities
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Escrow Considerations

- Advance Payment Retainers (NYSBA Ethics Opinion 816-10/26/2007)
- Dishonored Check Rule (22 NYCRR Part 1300)
- Fees on Escrow Accounts (NYS Rule of Professional Conduct Rule 1.15)

Miscellaneous Fees on Escrow Accounts

Fact and Fiction:

Can bank charge fees on escrow accounts?

You (or your firm) are responsible for paying **all** check-book printing fees.

You (or your firm) are responsible for paying **all** other charges, including:

wire transfers, stop payments, and overdraft or non-sufficient funds (NSF) fees.

If you (or your firm) maintain an operating account at the same bank, it may be possible to arrange to have fees and charges for the IOLA account deducted from your operating account. Ask your bank. Otherwise, you can deposit operating funds into the IOLA account to cover such fees and charges as they arise, subject to New York State ethics rules.

Five Key Questions to Consider: Show me the Money

1. What is the earning credit rate (ECR) on firm's operating account and the interest rate on the firm's savings/money market account?
2. What is the firm's pricing on Partner Capital Loans and lines of credit?
3. Are we getting a rebate on our Commercial Credit Card spend for technology and/or employee travel and expenses?
4. Have you reviewed the language in your retainer agreement regarding "Advance Payment Retainer" of legal fees
5. What are the Foreign Exchange rates we're paying compared to the index?

Sample FX Cost:

FX	Trade Date	Buy/Sell	FX Amount	USD Amount	Bank FX Rate	Hi	Mid	Lo	Loss from Mid	% of Contract
GBP	2-Oct-18	Buy	10,000.00	\$13,287.00	1.3287	1.3053	1.2997	1.2941	(\$290.00)	-2.18%
GBP	16-May-18	Buy	144,071.46	\$200,000.00	1.3882	1.3521	1.3489	1.3456	(\$5,669.21)	-2.83%
GBP	20-Feb-18	Buy	138,811.77	\$200,000.00	1.4408	1.4025	1.3979	1.3932	(\$5,961.97)	-2.98%

Questions

