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ACH-IOLTA Management

Bank Guide for

Remittance File Preparation

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This document is available on the Internet at www.lilavois.com. Bank Reporting button.

Overview

IOLTA information is now provided to an IOLTA Program on paper media. To provide this information, the financial institution must utilize human efforts at different phases of the operation. The reports are generally provided in either of two ways; 1) a report that is filled by hand which could be a fax generated by the IOLTA Program, or a spread sheet prepared by the IOLTA contact, or 2) a computer generated report that must be edited, balanced, transactions produced, check written, packaged and shipped. In order to minimize a financial institution's efforts in remitting to the IOLTA Program, the AIM software has incorporated the ability to import magnetic information from financial institutions. The IOLTA AIM subscription has also made available software for the financial institutions that will assist in preparing the IOLTA Remittances.

General Description

- eliminate the financial institution's normal remittance process completely, no internal debit memos, no reports, no checks.
- modify the financial institution's analysis software to produce a file for the IOLTA account's information
- transmit the file via zmodem, or email to the IOLTA Program.
- the IOLTA Program processes the remittances through ACH.
- only corrections and adjustments are provided via paper report.

Magnetic File Reporting Requirements

- ASCII Flat file Format Fixed field and record length or comma delimited, no binary data.
- 9600-56K Baud modem. zmodem preferred but xmodem & ymodem file transmissions are accepted.
- FTP on a secure web site is now accepted.
- Encrypted email now accepted

Record Layout

This file can be created in a fixed length format with '.txt' suffix or comma delimited with '.csv' suffix. The file name must be 'B'+bank code'. Where the bank code is the bank number on the IOLTA Program's system.

The '.txt' format all numeric fields have an assumed decimal point and leading sign.

The '.csv' format all numeric fields have an actual decimal point.

All date fields are in MM/DD/YYYY format.

All records are terminated with a Carriage Return (CR)

<u>Field</u>	<u>Size</u>	<u>Justified</u>
Tax ID #	10	Left
Transit Routing Number	9	Right
Bank/Branch ID	6	Right
Trust Account Number	17	Left
Account Status	1	(<u>A</u> ctive, <u>C</u> losed, <u>N</u> ew) Optional blank fill
Earnings Period Start	10	Left (date) MM/DD/YYYY
Earnings Period End	10	Left (date) MM/DD/YYYY
Interest Rate	5	Right (3 decimals)
Gross Remittance	10	Right (2 decimals)
Handling Charges	10	Right (2 decimals)
Maintenance Charges	10	Right (2 decimals)
Activity Charges	10	Right (2 decimals)
Net Remittance	10	Right (2 decimals)
Principal Balance used	12	Right (2 decimals)
Rate Type	4	Left
Other charges	10	Right (2 decimals)
Waived charges	10	Right (2 decimals)
Target Balance	12	Right (2 decimals)
Firm Name	60	Left
Firm Phone	12	Left

Record Length variable

Field Description

Tax ID

This is the Federal Tax ID # for the IOLTA account which is being remitted. It should be the IOLTA Programs Tax ID # on the Trust Account. This can be used as the batch separator by the financial institution that is remitting to multiple IOLTA Programs and to validate the proper file being transmitted to the correct IOLTA Program. It is validated by a particular state's AIM software to process the correct IOLTA accounts.

Transit Routing Number

The transit routing number of the financial institution where the trust account is held. If one financial institution is remitting for multiple facilities then this field should reflect the TRN for the facility where the account is located. It can be 'hard coded' for banks remitting for one TRN.

Branch ID

This is the financial institutions internal branch id for those facilities that have multiple branches. It can include the Bank ID # with the branch designator. When one TRN is used for multiple offices or branches this field is required to identify the actual location of the trust account. If the remittance is for one office then default to 0.

Trust Account Number

This is the unique 12 digit number that identifies the account. It will be used in the ACH system and must conform to the ACH standards. It does not include any local prefixes or suffixes.

Account Status

This field is used to identify whether the account is a regular active remittance (A), a recently closed account which has interest to report (C), or a new account that has not previously reported (N). **This field is optional** and can be left blank. Closed accounts are closed automatically by the software. New

accounts will be automatically maintained in the future. This will eliminate the additional request for information on those accounts.

Earnings Period Start

The first date for which interest is accumulated for the reported trust account.

Earnings Period End

The last date for which interest is accumulated for the reported trust account.

Interest Rate

The interest rate used to calculate the gross remittance for the earnings period reported.

Gross Remittance

The gross interest earned by the account during the earnings period reported.

Handling Charges

The negotiated per account rate charged to the IOLTA Program for processing accounts.

Maintenance Charges

Any maintenance charges that are to be paid by the IOLTA Program on this account.

Activity Charges

Any activity charges that are to be paid by the IOLTA Program on this account.

Net Remittance

The net amount of remittance due the IOLTA Program. This amount is usually calculated by having the Gross minus Handling minus Maintenance minus Activity. If the financial institution waves a negative net on IOLTA accounts then a ZERO (0.00) amount is entered.

Principal Balance used

The principal balance used to calculate the interest earned, such as the average collected balance.

Rate Type

Type of interest rate used. (ICR=Interest Checking, TICR=Tiered Interest Checking, RIR=Repo Interest.

Other charges

Any service charges that are not construed as Handling, Maintenance, or Activity charges.

Waived charges

Any service charges that have been waived in order to provide a net zero transaction.

Target Balance

Sweep account Target Balance held in the account as a compensating balance. This is used to calculate the net yield.

Firm Name

The name of the firm on the account. This will reduce communication with the financial institution on new accounts.

Firm Phone

The phone number on the account. This will enable the foundation to contact the firm to gather any additional information on new accounts.

File Transmission

The financial institution and the IOLTA Program will make arrangements as to when the file available. The file can be compressed using PKZIP prior to transmitting if arrangements have been made. **The file name must be 'B'+bank code.type**. Where the **bank code** is the bank number on the IOLTA Program's system and **type** is either 'txt' for fixed length or 'csv' for comma delimited format.

The transmission program can be any standard communications program similar to Windows Hyper-terminal, CrossTalk, or ProComm Plus. The file can also be provided through a secure FTP site on the INTERNET or encrypted email.

The IOLTA Program may dial into the financial institution and retrieve the file if that is the arrangement.

Technical Assistance

For assistance you can reach Roger Lilavois, Inc. at;

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