



Direct Debit Authorities  
Office of State Revenue (OSR)

# Guidelines for trust account operations



## Queensland Law Society

179 Ann Street, Brisbane, Qld 4000

GPO Box 1785, Brisbane Qld 4001

1300 367 757 | [» qls.com.au](https://qls.com.au)

Version 2 | 17 December 2014

---

## Copyright

All intellectual property in relation to this material (including any copyright notice and disclaimer) belongs to Queensland Law Society (QLS) and is protected by Australian and international copyright and other intellectual property laws. You may not do anything which interferes with or breaches those laws or the intellectual property rights in the content. The material cannot be used, reproduced by any process, electronic or otherwise, or adapted without the specific permission of QLS apart from any use permitted under the *Copyright Act 1968*.

QLS logo is a trademark of QLS. QLS does not grant any licence or right to use, reproduce or adapt QLS logo without express written permission of QLS.

## Disclaimer

Care has been taken in the preparation of the material in this document. However, QLS does not warrant the accuracy, reliability or completeness or that the material is fit for any particular purpose. By using the information, you are responsible for assessing the accuracy of the material and rely on it at your own risk.

To the extent permitted by law, all other representations, conditions or warranties, whether based in statute, common law (including in negligence) or otherwise are excluded. QLS does not accept any liability for any damage or loss (including loss of profits, loss of revenue, indirect and consequential loss) incurred by any person as a result of relying on the information contained in this document.

The information is provided as part of an educational program and is not given in the context of any specific set of facts pertinent to individual students. The instruction is not legal advice and should not be construed as such. The information is provided on the basis that all persons accessing the information contained in this document undertake responsibility for assessing the relevance and accuracy of its content.

## Table of Contents

1. Background.....	4
2. How the direct debit authority works .....	4
3. Procedure for authorising a payment .....	5
4. Protection of user identification information and password.....	5
5. Numbering of payment instructions .....	5
6. Information recorded on trust account bank statements .....	6
7. Recording payments in trust accounting records .....	6

## Appendices

Appendix A – Application Letter.....	7
Appendix B – Certificate in Support of Application for Approval to Make EFT Trust Payments .....	8

# 1. Background

Pursuant to section 250(1) of the *Legal Profession Act 2007*, a Queensland law practice cannot disburse money from a law practice trust account, or controlled money account, by electronic funds transfer unless the law practice has been authorised by the Queensland Law Society ('QLS') to do so.

Direct debit authority payments are a form of electronic funds transfer.

The Office of State Revenue ('OSR') has submitted an application to QLS for QLS to authorise all Queensland law practices to make payments to OSR by direct debit authority payments from law practice trust accounts.

OSR has a web based duties transaction system, OSRconnect, that has a direct debit authority payment function.

Payments via OSRconnect can only be made to OSR and can't be made for more than the amount of stamp duty that is payable in respect of the matter.

QLS has delegated to the General Manager of the Society's Professional Standards Department the power to authorise Queensland law practices to make stamp duty payments to OSR by direct debit authority payments via OSRconnect from law practice trust accounts.

## 2. How the direct debit authority works

The law practice gives a direct debit authority to its financial institution that authorises the financial institution to permit OSR to electronically withdraw money from the law practice's trust bank account.

The law practice enters into an agreement with OSR when it registers as a user of OSRconnect to the effect that OSR can withdraw money from the law practice's trust bank account if the law practice has given a specific authorisation to OSR to withdraw the money from the law practice trust bank account.

The specific authorisation is given to OSR by the law practice via the payment function in OSRconnect. OSR can't withdraw money from the law practice trust account unless OSR has been specifically authorised by the law practice to do so.

OSRconnect provides for different user levels:

- a. a standard user who can create records, save records as draft records and submit records to another user within the law practice for approval – this type of user can't authorise payments;
- b. standard user who can only authorise payments in respect of transactions that have been assessed – this type of user can't create records, or save them as draft records, or submit them for approval;
- c. a standard user who can do both of the above; and
- d. a super user who can do everything that a standard user can do and can also create new users, delete existing users and vary the access levels of existing users.

The law practice controls which users have which access levels.

Only a solicitor, who is a signatory to the trust bank account, can be given an access level that permits the user to authorise payments.

### 3. Procedure for authorising a payment

The transaction file for the matter in respect of which stamp duty is to be paid is to be produced to the solicitor who is going to authorise the payment.

The solicitor logs on to OSRconnect and accesses the payment function in OSRconnect.

OSRconnect will present the solicitor with a list of matters in respect of which stamp duty has been assessed but not yet paid.

The solicitor identifies the relevant matter in the list by the OSRconnect Transaction Number and selects it.

The solicitor checks that the information recorded in respect of the matter is correct and that the law practice's internally generated payment reference number (see section 5 of these guidelines) is included in the information on the screen. If it is not, it is to be added to the free text 'Notes' field before the payment is authorised.

If the solicitor is satisfied that the information on the screen is correct and complete, the solicitor checks the trust account ledger for the relevant matter to establish whether there are sufficient cleared funds held in the trust account for the purpose of paying stamp duty for that matter.

If the solicitor is satisfied that there are sufficient cleared funds held for that purpose, the solicitor authorises the payment.

The solicitor will then be presented with a 'Confirmation of Payment' screen. A screen print of this page must be made at this time. The screen print can be printed as a paper copy, or saved document. A copy of the screen print is to be kept as a trust accounting record for a period of at least seven years. It is also suggested that a copy of the screen print be retained on the relevant client file.

### 4. Protection of user identification information and password

It is absolutely imperative that the OSRconnect user identification information and password of each authorised trust account signatory are kept secure. An authorised trust account signatory must not, under any circumstances, advise these details to another person. Nor is an authorised trust account signatory to store them in a way that another person may easily gain access to them.

The password needs to be between 8 – 14 characters in length, including letters of the alphabet and numbers and not be capable of being easily determined by a third party. Further, the password should be changed on a regular basis.

### 5. Numbering of payment instructions

All payment instructions are to be assigned a law practice internally generated payment reference number which is to be recorded in the free text 'Notes' field before, or at the time, a payment is authorised.

This internally generated payment reference number is to be recorded in the law practice's trust accounting records as the payment reference.

A suggested numbering system is that payments made to OSR in the year 2013 commence with reference number OSR13/1 and increase by 1 to OSR13/2 and OSR13/3 etc and payments made in 2014 commence with OSR14/1.

Feedback will be sought from law practices as to whether it is necessary for a law practice

to internally generate a payment reference number. It may be sufficient to merely record, in the law practice's trust accounting records, the OSRconnect transaction number (this is a unique number that is automatically generated by OSRconnect for each transaction that is assessed via OSRconnect).

## 6. Information recorded on trust account bank statements

Payments made to OSR via OSRconnect will result in the following information being recorded in the law practice trust account bank statement:

- 6.1. the date the payment is made;
- 6.2. the name of the payee – OSR QLD;
- 6.3. the OSRconnect transaction number;
- 6.4. the amount of the payment.

## 7. Recording payments in trust accounting records

Details of payments are to be recorded in the trust account cash payment book and the relevant trust account ledger within two (2) days of the payment.

The details to be recorded in respect of each payment are as follows:

- 7.1. the date the payment is made;
- 7.2. the name of the payee (OSR QLD) and that the payment was for stamp duty;
- 7.3. the payment reference number that will appear on the trust account bank statement (the OSRconnect transaction number);
- 7.4. the law practice internally generated payment reference number;
- 7.5. the amount paid;
- 7.6. details clearly identifying the trust account ledger to be debited (client and matter name and matter number if there is a matter number).

## Appendix A

# Application Letter

DATE

### PRIVATE & CONFIDENTIAL

General Manager  
Professional Leadership  
Queensland Law Society  
GPO Box 1785  
BRISBANE QLD 4001

Dear Sir

#### APPLICATION FOR APPROVAL TO MAKE PAYMENTS TO OSR

XYZ Law Practice hereby applies to the General Manager Professional Standards of the Queensland Law Society for approval to make payments to the Office of State Revenue (OSR) in accordance with the Society's Direct Debit Authority Office of State Revenue Guidelines for Trust Account Operations in relation to the OSR electronic funds transfer payment function in its web based duties transaction system, OSRconnect.

I enclose a Certificate, signed by a principal of XYZ Law Practice, in support of the application.

Yours faithfully

XYZ Law Practice

## Appendix B

### Certificate in Support of Application for Approval to make payments to OSR

I, ....., the sole principal/a principal/a law practice director

of ....., law practice ("the law practice"), certify that the Direct Debit Authority Office of State Revenue (OSR) Guidelines prepared by the Queensland Law Society ("the Guidelines") have been read and, to the best of my knowledge, are understood by all authorised trust account cheque signatories, all staff of the law practice involved in the management of the trust account and all staff involved in the making of EFT payments.

I further certify that, to the best of my knowledge, suitable practices and procedures have been implemented and will be observed by the law practice to comply with the Guidelines.

Details of the trust account cheque signatories and staff of the law practice that have read the Guidelines are set out hereunder:

Name	Job Description	Trust account signatory
		Y / N
		Y / N
		Y / N
		Y / N
		Y / N
		Y / N
		Y / N
		Y / N
		Y / N
		Y / N
		Y / N
		Y / N
		Y / N
		Y / N
		Y / N

Signature

Name of principal/partner

Date