



Ascentant Limited

Outsourced Legal Cashiering Guide



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About us

History

Ascentant was founded in late 2015 by Kevin Drew, a seasoned Legal Cashier with over 13 years experience of working with Legal Practices.

Having progressed to Cashier Management roles, Kevin assisted with the set up of several high profile US Law Firms in the UK, advising on everything from compliance with Solicitors Accounts Rules and Anti Money Laundering to VAT, Payroll and Partner Taxation.

It was while working with some of the smaller UK start ups that the need became apparent for flexible, on demand, part time Legal Cashiering rather than recruiting a full time, in house Legal Cashier. In addition to this, smaller practices pushed on space and resources, were exploring “offsite” possibilities. From this, Kevin explored, developed and launched Ascentant, providing Outsourced Legal Cashiering in addition to general Bookkeeping and Accountancy support.

What systems can you use?

Ascentant Cashiers are experienced in using a range of systems, including, but not limited to:

Aderant	Eclipse	Lexis Nexis	Tikit P4W
Advanced Legal	Elite	Linetime	Timeslice
Civica	Insight	Quill	
Clio	Klyant	Select Legal	
DPS	LEAP	SOS Legal	

To see if we can work with a system not listed, contact us.

Ascentant are also able to recommend a Practice Manage System for new firms or those looking to migrate to a new system.

Who we are – Key Contacts



Kevin Drew ILFM (Dip)

Managing Director

01332 897356

<https://www.linkedin.com/in/kevindrew86/>

Legal Cashiering | Payroll | VAT | Bookkeeping

Kevin is the Managing Director of Ascentant and has over thirteen years' experience of working within the Cashiering or Finance Departments of Law Firms such as DLA Piper, HFW, WFW, Goodwin Procter and Edwards Wildman prior to joining Legal Consultancy, Kindleshire.

Kevin is ILFM qualified and advises Legal Practices on compliance with the Solicitors Accounts Rules, VAT and Regulatory issues. Kevin provides training to COFA's and supervises the Legal Cashiering function.



Marie Drewry BSc (Hons), MBA, ACCA, ACMA

Accountant

Management Accounting | Accounting | Tax

Marie is the Managing Accountant at Ascentant and having previously run her own successful Accountancy Practice, advises Ascentant clients on tax and accounting issues in addition to providing Legal Practices with monthly management accounts.

Marie works with the Legal Cashiers to ensure month end is closed and month end reporting is undertaken to include management accounts and bespoke reporting to clients. Marie works with COFA's to identify potential areas of concern and address them, managing breach reporting and holding management meetings with COFAs and COLPs.



Emma Wardman ILFM (Dip)

Legal Cashier

Legal Cashiering

Emma is the Key contact for Legal Practices, outsourcing their Legal Cashiering. Having over ten years' experience of working with Law Firms including Flint Bishop, Geldards and Hill Dickinson.

Emma undertakes all areas of Office Accounting including posting disbursements, journals, recharges and supplier payment runs in addition to Client Accounting, identifying and recording receipts and arranging payments in compliance with each firms individual policies and procedures.



Jack Jeffrey

IT Officer

IT Support | Cyber Security | Networking

Jack is Ascentant's IT Officer, visiting clients premises to set up IT infrastructure and maintaining remote networks and system security.

Jack maintains the link between Ascentant and client sites to ensure uninterrupted service can be delivered. Jack is also experienced in Cyber Security and Network Security. He works with a number of key IT partners to deliver IT projects to clients.

Business Continuity

Deciding to Outsource an integral part of your business is a big thing. You may ask why you should trust Ascentant to deliver your Outsourced Legal Cashiering? And what the future holds for Ascentant?

We have a wealth of business knowledge between us and with that knowledge, have provisions for if things go wrong.

Business Continuity

We have a full business continuity plan to direct us if things go wrong. Should there be an incident keeping us from our premises, a key member of staff being unavailable or system failure – We have backup premises, available staff and we work very securely in the Cloud – Minimising any disruption to service.

Insurances

We have Professional Indemnity Insurance, Business Interruption and Office Insurance in addition to Keyman/Key Person Insurance for key members of staff.

Capital/Funding

Ascentant has access to private funds as and when required to fund shortfalls, expansion or other events under which it may need access to capital.

Future Plans

Ascentant intend to remain privately owned and to grow organically with client demand, providing comprehensive and reliable business support.

We want to become known for the specialism, knowledge and service that we are able to provide, nurturing client relationships and growing with them.

We aim to develop a client portal in the future along with electronic slips and forms to streamline the workflow process.

Why Outsource?

Compliance, regulation, risk and the threat of an SRA intervention; Compliance with the Solicitors Accounts Rules, abiding by Outcome Focused Regulation and COLP & COFA responsibilities add to the burden of running any legal practice, large or small.

For larger firms with teams of legal cashiers to maintain day to day records, monitor irregularities and report breaches to financial controllers or superiors, the burden is of administrative cost, but the firm is safe in the knowledge that they are self sufficient, autonomous and regulatory compliant.

Smaller firms however may employ a full time legal cashier which is not financially viable for the small number of transactions being processed or the managing partner may try their hand at processing the legal accounts themselves with sometimes disastrous results.

What could possibly go wrong?

Recent rulings by the Solicitors Disciplinary Tribunal have shown a growing trend of solicitors being struck off for breaching the Solicitors Accounts Rules, from using client funds to fund office account transactions, using client accounts as banking facilities or not having proper and correct accounting records. It is clear that some practices need support. But where from?

Confidentiality

The question of data protection and confidentiality is addressed at the outset of any engagement, whereby a confidentiality agreement is signed by the remote legal cashier and firm.

Benefits

The benefit of a remote legal cashier is that they can work offsite and for as much or little time as required. A practice may only need a legal cashier for a few hours a day or a few days a week. The cost savings compared to employing a full time legal cashier quickly appreciate and the practice has peace of mind. Savings by not directly hiring a Legal Cashier include employer NI, staff benefits, auto enrolment, overheads and office space.

Services

Outsourced Legal Cashiering overview

Being the specialist service that Ascentant provide, Outsourced Legal Cashiering is the hub.

Ensuring Compliance with the Solicitors Accounts Rules is essential for any Legal Practice and Ascentant are experts in SAR Compliance with a team of Institute of Legal Finance & Management (ILFM) Cashiers, available to assist with day to day transactions and compliance.

IT

Our Legal Cashiering teams work remotely following consultation with our IT Officer, to gain access to your Practice Management Software to be able to process transactions on your behalf. This is explored further in the guide under “IT Framework”.

Level of Outsourcing

We are able to work in different ways with different Legal Practices to suit your needs. As standard, we are able to monitor your bank account, process receipts, process payments, record items to your practice management software and undertake client billing, credit control and basic bookkeeping to ensure compliance with the Solicitors Accounts Rules.

Depending on the level of Outsourcing agreed, we can also arrange supplier payments, client account transfers and payments. We operate under strict guidelines whereby we are not able to approve or authorise payments online – Maintaining security whereby the Partner or designated Client authority has full control.

Documents

Documents can be scanned or emailed to us for processing in addition to setting up shared workspaces where documents can be deposited for processing by our Legal Cashiers. Examples of this include Google Drive, ShareDrive, Dropbox or simply a desktop folder on a remote machine.

Services

Services provided include, but are not limited to:

- Advice on VAT on expenses and benefits
- Assistance with Client Account audits
- Banking and cash management
- Cashflow management
- Client Account Receipts, payments and transfers
- Client invoicing/billing
- Consulting on SRA and VAT compliance
- Completion statements
- Consulting on current systems and implementation of new systems
- Production of firm policy and procedure manual
- Credit control
- Development of client account interest policies
- EC Sales Listings
- WIP management
- Interest Calculations
- Investigation of Residual client account balances
- Letters of engagement & terms of business
- Month end processing
- Payment of third party disbursements in accordance with Solicitors Accounts Rules
- Payment runs
- Payroll processing
- Processing Client Disbursements
- Processing Accounts Payables
- Processing Expenses
- Production of training materials
- Production of WIP listings
- Development of client account policies
- WIP/Disbursement transfers
- Write offs
- VAT Returns

All services required are ascertained upon engagement and a service plan with service level agreements produced to agree upon.

Payroll

As we also provide Bookkeeping and Accountancy services, we are able to bolt on payroll to any package.

We are able to run weekly or monthly payroll, providing RTI information to HMRC, providing payslips to employees and dealing with joiners, leavers and general payroll administration.

VAT

We are able to review transactions on a monthly or quarterly basis to produce VAT returns and EC Sales lists where required.

Reviewing the ledgers, making adjustments and preparing returns, we are able to complete and submit returns, making firms aware of any credit or liability.

Management Accounts

Once transactions have been processed and the month end is ready to be run, our Management Accountant is able to close the month end, making necessary accounting adjustments and run a set of Management Accounts for the Practice.

Bespoke reporting packages can be produced, but standard reporting may include:

- Firm Profit & Loss
- Firm Balance Sheet
- Client Account Reconciliation & Trial Balance
- Office Account Reconciliation
- Matter Profitability
- Fee Earner Profitability
- Actual vs Budget (where budgets set)
- Conversions/Matters Opened
- Outstanding Debts & Debtor Day Reports

Implementation

Policies & Procedures

You may already have a set of policies and procedures in place. You may be a new Practice that needs to draw some up. We would expect to find as standard:

- A finance manual
- A client Account policy
- A client interest policy
- Breach policy
- Money Laundering policy
- Anti Bribery policy

We are able to review any existing policies and procedures to ensure that they are compliant with the Solicitors Accounts Rules, are robust and are able to be practically followed and undertaken.

We also have a standard set of policies and procedures in addition to payment requests and receipt forms which we are able to adapt to your firm and implement.



The policies and procedures are integral to the Outsourced Cashiering process, ensuring that roles are defined, processes are defined and it is clear how the firm is complying with its Regulatory obligations and practically undertaking them on a day to day basis.

The first step in setting up an Outsourced process is to agree on the policies and procedures.

Finance Manual – The Finance Manual should detail each process in the finance department, how it should be requested and how it should be undertaken. It can be a dual use document for use internally by staff members and the Legal Cashier or it can be split into two separate documents –

1. For use internally by staff members – Detailing the steps required to request a disbursement posting, office payment, client account, payment, etc, the forms required to make the request, the authorisation required for the request and who to send it to.
2. For use by the Cashier/COFA/COLP to detail the processes to undertake each action and each step required on the Practice Management System to post each action.

Client Account Policy – This should detail the acceptable uses for the client account linking in to the Money Laundering Policy. Should funds only be accepted from fully identified clients? Should the Managing Partner approve each use of the Client Account? Who should approve payments from the Client Account?

The policy should clearly define the role that the Client Account plays in protecting Client Money, prohibits usage as a banking facility and defines who is able to approve withdrawals from the Client Account.

Client Interest Policy – The Client Interest Policy is the firms own interest policy, usually written into the terms of business or engagement letter. No longer are prescribed rules laid down – Each firm should set its own “fair” and “reasonable” policy in order to pay away interest to clients.

Breach Policy – This should outline the measures the firm uses to monitor compliance with the Solicitors Accounts Rules and how it records breaches – Preferably in a central breach register. The breach register should be monitored and discussed with the COFA and COLP at regular intervals.

Money Laundering Policy – There should be an appointed Money Laundering Officer or contact within the firm and an accompanying policy that determines how clients are identified upon engagement and how funds will be identified and processed upon receipt into the firm. Client Account transactions can be a target for laundering funds and therefore guidance through policy should be delivered to the firm and Legal Cashiers.

Anti Bribery Policy – A policy should be in place to discourage bribery of any form within or outside the firm. Business decisions should be made upon merits.

IT Framework

Being able to access the Practice Management System is fairly integral to providing an Outsourced Legal Cashiering service.



Practice Management System Access –

Cloud - The PMS maybe hosted online via a Cloud platform such as LEAP or Clio– In which case, we should be easily able to access the system via a web browser or online program. We will require a license to be able to access the system and undertake postings.

Supplier Hosted – The PMS maybe hosted by the Software Supplier on their own servers. Permission will be required by the Software Supplier to provide access to the supplier hosted version of the PMS and possible Citrix connection. Costs will include a user license and possible Citrix or network charges by the software supplier.

Locally Hosted – If the PMS software is stored locally on the firms server or a single desktop computer – A connection into your network is required. There are various ways of doing this that vary depending on your current setup and what the best approach for us to be able to connect is. Overall, we try to keep our solutions as flexible as possible and we should be able to find one suited to you. Costs will usually include a user license, any hardware required and any negligible subscription costs for remote software such as Teamviewer.

The simplest solution is a remote desktop connection to a server utilising remote desktop services. Another method available is connecting to a server with the capability to host a virtual machine. We could then remote connect to a virtual machine within your network.

If you don't have a server to make previous solutions possible, we could also setup a physical desktop computer onsite that we will be able to access remotely using software such as Teamviewer. This would require the most time to setup but would be a working solution if others are not possible.

If none of these solutions would be suitable for your firm, we would have to discuss other possible options for access.

Roles & Responsibilities

Once Policies and Procedures and IT framework is established, it is important to define roles and responsibilities between the Legal Practice and Ascentant Legal Cashiers.



Ascentant can only process information that it is provided with. Should information be fully available to Cashiers with read only access to the bank? Or should the Practice Manager or Managing Partner only provide bank statements?

Who should be responsible for producing receipt slips or payment forms? How should the Legal Cashier accept their instructions?

A matrix should be completed and incorporated into the Finance Manual, detailing the responsibilities between the Legal Practice to provide information and the Legal Cashier to be able to act upon it.

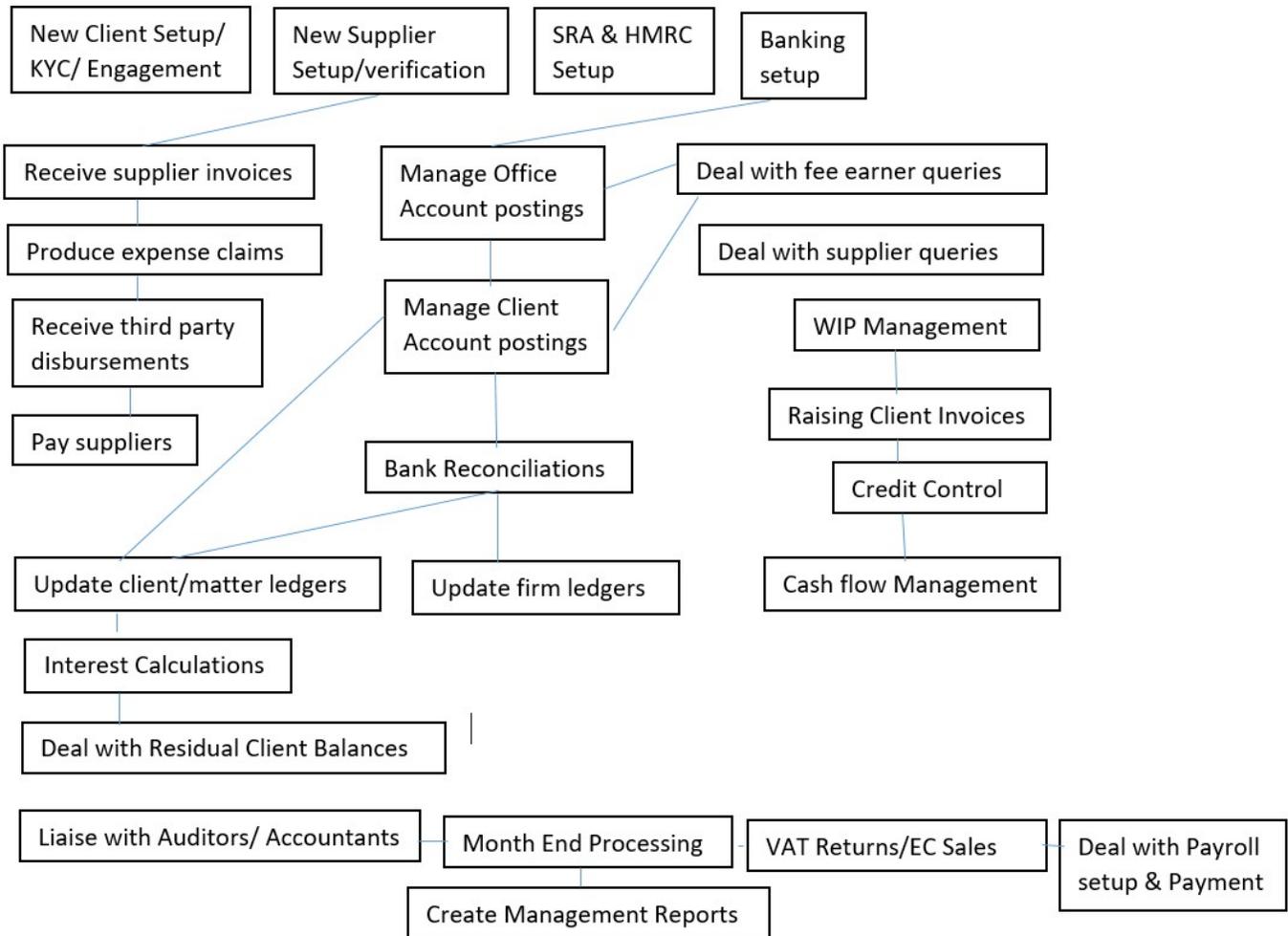
Task	Legal Practice	Cashier
Bank Statements	Practice Manager to provide bank statements daily?	Cashier to be given read only access to bank?
Disbursement Postings	Practice Manager to email to Cashier?	Cashier to post to PMS?
Disbursement Payments	Practice Manager to pay on bank? Or instruct Cashier to pay?	Cashier to post payment to PMS? Cashier to make bank payment?
Client Account Receipts	Practice Manager to complete receipt form?	Cashier to post receipt to PMS?
Client Account Payments	Practice Manager to complete payment form? Or make full bank payment?	Cashier to make bank payment? Cashier to post payment?
Client Billing	Practice Manager to run billing guides?	Cashier to produce full bills, send out and post to PMS?
Credit Control	No role	Cashier to chase all outstanding debts?

Day to Day working

Once the groundwork is established, the Outsourced Legal Cashiering may commence following the roles and responsibilities identified.

- You will be assigned a named cashier, supervisor, escalation procedures and absence cover arrangements
- Receipt/payment chits will be completed by the Legal practice and forwarded to Ascentant for processing
- Chits with supporting documentation maybe scanned and stored on a local drive or other shared workspace such as GoogleDrive, emailed directly to their cashier or sent by post. Ascentant are currently developing an E-Chit system or App.
- Cashiers then undertake all aspects of cashiering once daily chits are completed for full accounts handling. Supported by read-only access to relevant bank accounts, the cashiers are able to log and reconcile transactions, with bank statements submitted to you by post, fax or they're scanned and emailed.
- The service includes regular legal cashier-generated reports indicating your account status and highlighting anomalies or late arrival of money for remedial action. You're notified of potential and actual accounts breaches which your cashier will discuss and rectify with you, keeping your financial status above board.
- The whole operation is closely monitored by a qualified legal accounts management team for guaranteed accuracy and improved operational control.
- The service allows you to concentrate on fee earning work without the cost, supervision or loss of time of hiring a cashier direct.
- Once all transactions are sent to Ascentant, the cashier posts these entries, meaning that at any point, fee earners can produce detailed management reports, billing guides etc
- You avoid all the problems with holidays, sickness etc which can beset small firms.
- Monthly management reporting can be arranged with bespoke reporting and management accounts

Workflows will be bespoke to each client, but an example is as follows:



Regular communication is maintained with Legal Practices to ensure that their needs are being met and Regulatory compliance is being met.