



Get Started with Clio Accounting



Accounting is a fundamental aspect of any business, and law firms are no different. In fact, law firms have more at stake than many other businesses when it comes to accounting—managing funds held in trust (and avoiding the steep penalties of a trust accounting error), for one.

Given the vital role accounting plays in a law firm's business, every firm should have a simple, effective way to track income and expenses, get insights into firm performance, and ensure ongoing compliance—and that's where Clio Accounting comes in.

Clio Accounting provides the most intuitive way to manage your firm's finances. Built for legal professionals, not just accountants, it allows you to take control of your firm's accounting with confidence.

With Clio Accounting, every time you send an invoice, collect a payment, or manage your money, transactions are automatically updated in your ledger in real time, eliminating manual errors while keeping you compliant. It's built directly into Clio Manage, making it your single system of record while securing and simplifying work across your team.

This checklist will guide you through everything you need to get started with Clio Accounting—orienting you to the key features you should be aware of and how they can help your firm track expenses, assess performance, and stay compliant.

Note: If you feel you need assistance with the decisions required to set up Clio Accounting (such as deciding which trust and operating accounts you want to connect with the software), we recommend consulting an accountant or bookkeeper.



STEP ONE

Set up Clio Accounting access

Once your firm has purchased a Clio Accounting subscription (which requires an active Clio Manage subscription), the next step is to decide which team members will have access. You can easily do this by heading over to [settings](#).

Each Clio Accounting subscription includes one free license for an accountant or bookkeeper. You can assign that license now and purchase additional licenses if needed.

Decide which member(s) of your team will have access to Clio Accounting.

STEP TWO

Prepare for setup

The first step in the Clio Accounting setup process is to select whether your firm is new to accounting software or already using another accounting software program.

If your firm is coming from another accounting software, you will:

Complete a final reconciliation in your previous software:

Before transitioning, complete a final reconciliation in your old system to ensure a clean cutoff. Clio Accounting operates on a cash-basis, so it's important to carry over only cash-basis balances. Use your chosen cutoff date to finalize bank reconciliations, and for trust accounts, perform a full 3-way reconciliation

Ensure your opening balances are available: Set opening balances for all relevant accounts when transitioning from your previous accounting system. Since historical data cannot be imported, manually entering these balances is the only way to reflect prior financial activity in Clio Accounting.



Where to Find Opening Balances: You'll typically find the necessary balances in your most recent Balance Sheet or Trial Balance, provided your books are up to date. These can usually be exported from your previous accounting software's reports or account summary sections.

Gather your latest bank and credit card statements.

Back up all data for audit or future reference.

STEP THREE

Select which Clio Manage accounts to map to Clio Accounting

During setup, you will be prompted to select the Clio Manage trust and operating accounts that you want to connect with Clio Accounting. Once selected, transactions from your accounts will appear in your default chart of accounts, beginning from your chosen start date. You can always review and customize your chart of accounts at any time in Clio Accounting:

Determine which trust and operating accounts you want to connect with Clio Accounting.



STEP FOUR

Determine your accounting start date

While it might be tempting to get started with Clio Accounting as soon as possible, best practice is to begin using Clio Accounting on the first day of a new month. This timing helps ensure a more straightforward process and informs when transactions from Clio Manage will sync over, as well as what date should be set for your opening balances.

During Clio Accounting's setup, you will be prompted to select a start date for using Clio Accounting. The start date will determine when Clio Accounting will start syncing data from Clio Manage.

Choosing a Cutoff and Start Date: It's critical to establish a clear cutoff date—the final day you'll use your old system—and a start date, which marks the beginning of all financial activity in Clio Accounting. To reduce complications, the best practice is to align these dates with a clean reporting period like month-end, quarter-end, or year-end. Once this date is selected, it cannot be changed without a full reset of Clio Accounting. If a reset is performed, it will reverse any subsequent actions taken in the account.

Select a start date for your bookkeeping records in Clio Accounting.

After clicking "Submit," Clio Accounting will begin syncing data from Clio Manage based on your chosen start date. The synced transaction data will include unpaid invoices, payments, bank transactions and transfers, refunds, credit notes, and hard costs. You'll then be directed to the Clio Accounting Dashboard.



Recommended tasks to complete your Clio Accounting setup

When you arrive on the Clio Accounting Dashboard, you'll see recommended tasks to complete in order to tailor your experience and set you up for success. This tool helps to keep your firm on track with your finances by reminding you of what you need to do, and when.

SYNC BANKING DATA INTO CLIO ACCOUNTING

[Connecting your firm's bank accounts](#) allows you to leverage the automated bank feed features. There are two ways to feed transaction data into Clio Accounting. If you choose to:

Connect your firm's bank accounts

This will allow you to leverage Clio Accounting's automated bank feed. Once you click "Connect", follow the on-screen instructions to securely link your account. Once connected, the Banking page will show the linked account. To connect more accounts, click "Connect bank account" in the top right corner of the Banking page.

Alternatively, you can choose to:

Upload bank files to Clio Accounting

Uploading a CSV file containing monthly bank or credit card transactions allows Clio Accounting to automatically extract and populate the relevant transaction data. This method avoids issues like delays, disconnections, or bank incompatibility, all while minimizing manual entry.

Only essential details—transaction date, merchant, and amount—are imported, and all can be adjusted as needed. We recommend uploading files at least monthly to keep your books aligned with bank activity.



REVIEW YOUR CHART OF ACCOUNTS

Familiarize yourself with your chart of accounts. This is where your firm's transactions get organized to support double entry bookkeeping and financial insights. Select "Review" in the "Recommended tasks" section of the Clio Accounting Dashboard to navigate to the chart of accounts page.

Clio Accounting provides a default chart of accounts based on Generally Accepted Accounting Principles (GAAP). However, you can review and customize your chart of accounts at any time.

If you wish to include any ledgers present in your previous/existing Balance Sheet, Trial Balance, or Chart of Accounts that are not represented on the default screen, you may do so by first adding a new account via the Chart of Accounts tab. Any relevant new accounts created will then show up on the screen.

Review and familiarize yourself with your chart of accounts.

If you need help understanding your chart of accounts, this section explains what each account represents and provides essential accounting context to help make everything easier to follow

Account	Description
Trust Clearing Account	This account syncs all funds moving in and out of your trust accounts within Clio Manage. It's a temporary holding account used to facilitate trust fund movement until funds are fully deposited or withdrawn. It's crucial for maintaining accurate records of client funds held in trust.
Accounts Receivable (A/R)	This represents money owed to your firm by clients for approved invoices. It syncs directly from your approved invoices in Clio Manage.
Hard Costs Receivable	This account tracks expenses paid by your firm on behalf of clients (e.g. court filing fees) that will be reimbursed. It reflects the hard cost portion of your outstanding invoices.



Account	Description
Hard Cost Clearing	This is a unique account that helps track when hard costs paid by your firm have been properly reconciled. A negative balance here indicates that some hard costs you've incurred haven't yet been paid to the vendor, which might require your attention.
Undeposited Funds	This is a temporary holding account for payments received in your operating account via Clio Manage before they are deposited into your bank. It also includes payments made using trust funds.
Client Advanced Costs	This account reflects funds your firm has paid out-of-pocket for client expenses (hard costs) that are awaiting reimbursement. It appears on your Balance Sheet as an asset.
Client Trust Funds	This is a liability account representing all funds your firm holds in trust on behalf of clients. It's money that belongs to your clients until it is legitimately earned and transferred to your operating account.
Unrecognized Payments	This temporary account holds payments received that have not yet been applied to a specific invoice or that represent overpayments. You'll typically need to take action to allocate these funds properly. These funds remain your liability until they are allocated.



Account	Description
Fee Income	This account records the revenue your firm earns from legal services (e.g., hourly billing, flat fees) as reflected on approved invoices.
Service Income	This account captures revenue from services you provide that are not direct legal fees, often related to “soft costs” or administrative fees charged on approved invoices.
Interest Income	This account tracks any income generated from interest charged on overdue invoices.
Client Refunds	This account records funds directly reimbursed to clients via Clio Payments . This includes refunds for overpayments on invoices and, importantly, refunds of funds originally deposited into your trust account through Clio Payments.
Processing Fees	This account records any fees incurred for processing payments through Clio Payments.
Surcharge Income	This account tracks the surcharge fees collected from clients when they pay online. It usually covers the processing fee. It records only the surcharge portion of the payment, separate from the invoice amount owed for legal services.

SET ACCOUNT OPENING BALANCES

Setting the correct [opening balance](#) is important for accurate financial reporting and effective accounting practices. By choosing “Set Balances” in the “Recommended tasks” section of the Clio Accounting Dashboard, you can set the starting balance for your operating accounts.



Before setting account opening balances, ensure that all required accounts in your chart of accounts have been added and that any necessary name changes are complete. Once opening balances are set, they cannot be edited and accounts cannot be deleted and recreated.

It's also important that any opening balances brought into Clio Accounting are recorded on a cash-basis to remain consistent with the cash-based recognition that will be used in the next step.

Enter the starting balance for each operating account.

Once all opening balances have been entered, conduct a review to confirm that all balances are accurate and that there are no discrepancies. If there are any discrepancies despite the balances being correct for each account, you may want to consult with an accountant or bookkeeper.

If you choose not to set opening balances, your firm will still be able to use Clio Accounting to track its operating invoices and payments, manage operating expenses, and review bank transactions. However, you'll need to set your account opening balances if you want to reconcile accounts and run financial statements.

NOTE: You will only be able to save your opening balances when assets equal liabilities plus shareholders' equity—this is the foundation of the accounting equation and a core accounting principal. A balance sheet cannot be considered balanced otherwise. If your entries don't balance, you'll need to troubleshoot this before starting in Clio Accounting, possibly with the help of an accounting professional.

SET TRUST ACCOUNT OPENING BALANCES

Setting the correct opening [trust account balance](#) is important to help your firm prevent errors and maintain trust integrity and compliance.

By choosing “Set trust account balances” in the “Recommended tasks” section of the Clio Accounting Dashboard, you can set the starting balance for each trust account.

Enter the starting balance for your trust account.



You might be confused by the Trust Account not being included in the general “Opening Balances” process and display. The Trust Account is not an ordinary asset owned by the firm, as these are funds held in trust by the firm on behalf of their clients. It is handled separately as we are making sure that the balance matches the activity logged in Clio Manage.

Funds held in trust by the firm, typically within an IOLTA (trust) bank account, are subject to very particular compliance requirements and must be reconciled properly. For this reason, trust opening balances are managed independently and with additional care.

Once all opening balances have been entered, conduct a review to confirm that all balances are accurate and that there are no discrepancies. If there are any discrepancies despite the balances being correct for each account, you may want to consult with an accountant or bookkeeper.

If you choose not to set opening balances for your trust accounts, your firm will still be able to use Clio Accounting to track its operating invoices and payments, manage operating expenses, and review bank transactions. However, setting the opening balances for your trust accounts is required if you intend to track them in Clio Accounting. Remember: When managing client money in a client trust account, it’s necessary to keep detailed records of all funds and transactions to stay compliant.

NOTE: Trust payments in Clio Manage must match the corresponding bank account balance, allowing for any “uncleared” transactions (those that have not yet cleared the bank). If these balances don’t align, there is a discrepancy between your actual trust funds (bank) and Clio Accounting balances (Clio Manage). This must be identified and corrected before continuing with Clio Accounting.



Conclusion

By now, you should be set up to get the most from everything that Clio Accounting has to offer! And remember: as Clio Accounting was built specifically for legal professionals, you'll find recommendations for best practices on a weekly and monthly basis to help you stay focused on what matters most without having to worry about missing out on critical issues.

If any issues come up on your Clio Accounting journey, don't fret. Reach out to one of our customer service experts for award-winning, quality support—by phone, email, or live chat—any time from Monday at 12:00 a.m. until Friday at midnight.

If you'd like hands-on guidance, you can also request [paid training](#). One of our certified consultants will get in touch to tailor the experience to your firm's needs.



About Clio

Clio is the world's leading provider of cloud-based legal technology, providing lawyers with low-barrier, affordable solutions to manage and grow their firms more effectively, more profitably, and with better client experiences. It redefines how lawyers manage their firms by equipping them with the tools they need to run their firms securely from any device, anywhere.

Ready to learn more ?

Visit clio.com | support@clio.com | 1-888-858-2545 ext.2

Learn more at clio.com

