



EVIDENCE & RESOLUTION

Settlement Closing Statement Audit Workbook

Trace the agreed gross amount through documented fees, costs, third-party payments and holdbacks to the expected net payment.

WHAT THIS WORKBOOK HELPS YOU DO

01

Complete your agreement-to-statement comparison

02

Complete your cost and credit audit

03

Complete your obligation and holdback map

A claimant who has a settlement closing statement or proposed disbursement packet to review.

Use it on screen or on paper. Save a personal copy before entering information. Blank response areas are fillable; printed copies work just as well. Keep completed copies private.

Scope. Educational organization tools, not legal, medical, tax or financial advice. No claim result, coverage decision or payment is promised. Verify policy language, current local rules and all deadlines with the appropriate professional or official source.



START HERE

Start with a clear working file

Work on one claim, account or issue at a time. Keep originals unchanged and label working copies with a short evidence ID. Complete the guidance in order, then use the worksheets to turn questions into an organized next step.

A practical order

- 01 Read the four guidance pages before filling the worksheets. Mark facts you can support and questions that still need an answer.

GUIDANCE / PAGES 03-06

- 02 Use the fictional examples to check your method. Their facts and dollar amounts do not describe your claim or predict an outcome.

EXAMPLES / PAGE 07

- 03 Complete the four working sheets, then use the readiness check and next-step page. Duplicate a worksheet when you need another record.

WORKSHEETS / PAGES 08-11

Protect your information

Store completed copies somewhere private. Use a claim or account suffix when a full identifier is unnecessary. Share only relevant copies through a verified recipient and appropriate channel. A saved PDF can contain personal information even when it is not open on screen.

Before a deadline. Do not wait to finish this workbook when a notice, release, court paper or policy deadline needs attention. Verify the actual requirement and seek qualified help promptly.



GUIDANCE 1

01

Identify the controlling documents

Gather the signed fee agreement and amendments, settlement terms, release, closing statement, cost ledger, third-party payment information and any required approval. Label drafts and final versions clearly. A preliminary estimate prepared during negotiations is not necessarily the statement used to distribute funds. If two documents use different gross amounts or fee assumptions, record the difference and ask for an explanation. This workbook begins with the documents that actually govern or explain the closing; it does not supply new legal terms.

Confirm the gross figure and payment status

Separate the agreed settlement amount from money received, cleared funds, scheduled future payments and any noncash terms. A promise to issue a check is not the same as a completed deposit or permission to distribute. Identify the payer, payees and any conditions described in the agreement. Do not infer that every dollar of a multi-party or structured arrangement is available immediately. Record payment status using actual communications and statements, and ask the responsible professional to explain any hold or unresolved approval.

RELATED WORKING SHEETS

- Agreement-to-statement comparison
- Obligation and holdback map

Sources for this page: [1], [2], [3]. See the linked source guide.



GUIDANCE 2

02

Check the fee method against the agreement

Find the fee rate or method in the actual agreement, including any stage-dependent provisions or amendments. Determine what base the statement uses and whether costs are deducted before or after the fee calculation. Recalculate the arithmetic without substituting a percentage you saw online. The ABA Model Rules describe written contingency-fee and closing-statement concepts, but the governing state rules and your agreement require separate review. If an amount seems inconsistent, ask for the contractual and legal basis rather than assuming that an arithmetic difference proves misconduct.

Reconcile costs without counting twice

Match each cost on the closing statement to the supporting ledger or receipt where available. Distinguish a case expense from a lawyer's fee and a client payment already made. Identify credits, reimbursements, estimates and final charges. Similar descriptions may refer to different services, while repeated entries may also require clarification. Do not delete an entry yourself or accuse anyone based only on a label. Make a specific question that can be answered with a document: what was the charge for, who paid it, and where is the supporting record?

RELATED WORKING SHEETS

- Agreement-to-statement comparison
- Cost and credit audit

Sources for this page: [1], [2], [3]. See the linked source guide.



GUIDANCE 3

03

Separate third-party claims and holdbacks

List each lien, reimbursement demand, medical bill or other third-party amount shown. Record who asserts it, whether the amount is proposed or final, and what document supports any agreed reduction or release. Keep money held pending resolution separate from money already paid. A reduction discussed on a phone call is not the same as a final written agreement. Medicare and other public or private benefit claims may use different processes. Get advice before treating an unresolved item as waived or spending funds that may be held for it.

Recalculate the distribution and explain differences

Start with the amount actually being distributed under the statement and subtract each documented category once. Record rounding, previous advances where applicable, retained funds and separate payments. The arithmetic should reconcile, but correct subtraction does not prove that every deduction is legally proper. Compare your result with the statement's net payment and ask about any difference. For multiple recipients, make sure each allocation is visible. Do not endorse a check or accept a release solely because the final number matches your calculation.

Keep asserted, supported, paid, and held amounts distinct, with the related documents.



Sources for this page: [1], [2], [3]. See the linked source guide.



GUIDANCE 4

04

Route tax, benefit and release questions

Keep tax forms, allocation language and payment records for an appropriate tax professional. Do not assume all accident settlement proceeds are tax-free or that every payment affects public benefits in the same way. Ask counsel about release scope, unresolved claims, confidentiality, future-care provisions and approval requirements. A question worksheet helps you avoid forgetting an issue; it cannot answer those issues for your situation. If a requested signature would acknowledge receipt, approve deductions or release rights, have its actual effect explained before signing.

Build the final closing record

Store the final signed terms, closing statement, explanation of deductions, payment confirmations, lien resolutions and any continuing obligations together. Record what remains held and when the responsible professional expects to revisit it. Keep the earlier versions so changes can be understood. A file is not fully closed merely because you received one payment. Finish with a plain-language summary of amounts received, amounts paid to others, unresolved items and future documents expected, such as a tax form or final third-party acknowledgment.

RELATED WORKING SHEETS

- Distribution and closure audit
- Obligation and holdback map

Sources for this page: [1], [2], [3]. See the linked source guide.



FICTIONAL EXAMPLES

Work through the examples

These invented cases demonstrate the method. They are not case results, estimates of what you will receive or statements of universal rights.

01 Correct arithmetic, unanswered entitlement

All deductions add correctly, but the basis for one third-party payment is missing.

Next step: Ask for its supporting document and status.

Avoid. Assuming mathematically correct means legally justified.

02 A holdback is not a final charge

The statement retains money pending a final recovery amount.

Next step: Track the reason, responsible person and future reconciliation.

Avoid. Treating held money as permanently paid or freely available.



WORKSHEET 1

01

Agreement-to-statement comparison

Use the signed agreement and current final statement.

Document/version

Gross amount

Fee method/base

Cost timing

Payment status

Difference

Explanation requested

Related guidance: [Identify the controlling documents](#)



WORKSHEET 2

02

Cost and credit audit

Each amount should have a category and support; do not count it twice.

Item

Amount

Ledger/receipt

Who paid

Credit due

Estimated/final

Duplicate-looking entry

Response

Related guidance: [Check the fee method against the agreement](#)



WORKSHEET 3

03

Obligation and holdback map

Keep disputed, agreed, paid and held amounts distinct.

Recipient/claim type

Amount asserted

Document date

Final amount supported

Payment made

Holdback

Release/acknowledgment

Open question

Related guidance: [Separate third-party claims and holdbacks](#)



WORKSHEET 4

04

Distribution and closure audit

Check arithmetic, then separately review legal/tax questions.

Amount available

Fee

Costs

Third-party payments

Other deductions

Holdback

Net stated

Net recalculated

Difference

Final documents missing

Related guidance: [Route tax, benefit and release questions](#)



READINESS REVIEW

Check the file before using it

REVIEW EACH ITEM BEFORE MOVING ON

- ☐ Each working figure or statement is linked to an identifiable document.
- ☐ Missing information is marked as unverified rather than estimated as fact.
- ☐ The exact question and the person or organization able to answer it are identified.
- ☐ The current document version and any conflicting version are preserved.
- ☐ Independent deadlines and the source of each deadline have been checked.
- ☐ The final written response has been compared with the original question.

What still needs attention

Open fact or decision, who can resolve it, and the source needed

Completion standard. The working file is complete when the important facts are supported, the next action is assigned and any unresolved issues remain clearly visible. A completed checklist does not establish coverage, entitlement or legal compliance.



ACTION PLAN

Write down the next step

Choose the smallest useful next step. Make the request specific enough that the recipient can locate the record and explain or address the exact issue. Keep proof of what you sent and what came back.

The exact issue or request

Evidence IDs and document versions that support the request

Verified recipient and channel

Date sent and follow-up date

What response will resolve the issue, and what still needs professional review

Separate decisions. A courtesy follow-up date is not a legal deadline. A document request does not automatically pause another requirement. Do not sign, settle, move property or disclose sensitive records merely because a box on this page is complete.



REFERENCE GUIDE

Sources and scope

The linked official sources support the educational background. The forms and examples are original organization tools. Sources were checked on October 1, 2026; policies, procedures and law may change. Recheck the current source before relying on a rule.

[1] ABA Model Rule 1.5, Fees

The model rule addresses written contingency-fee methods, expense timing and a concluding written statement. Scope: Model rule, not proof of the law in every state. Consult the applicable state rule.

https://www.americanbar.org/groups/professional_responsibility/publications/model_rules_of_professional_conduct/rule_1_5_fees/

[2] IRS tax implications of settlements and judgments

Tax treatment depends on what a settlement replaces and the facts and circumstances. Scope: No personalized tax conclusion or blanket tax-free claim.

<https://www.irs.gov/government-entities/tax-implications-of-settlements-and-judgments>

[3] CMS reimbursing Medicare

Medicare demands and resolution steps can affect closing records. Scope: Only an example of a distinct reimbursement process; not a guide to all liens.

<https://www.cms.gov/medicare/coordination-benefits-recovery/overview/reimbursing>

Keep the scope clear

No approval to sign releases

No standard nationwide fee percentage

No blanket lien reduction

No guaranteed tax-free treatment