Best Legal Time & Billing Tips for Firm Managers in 2021

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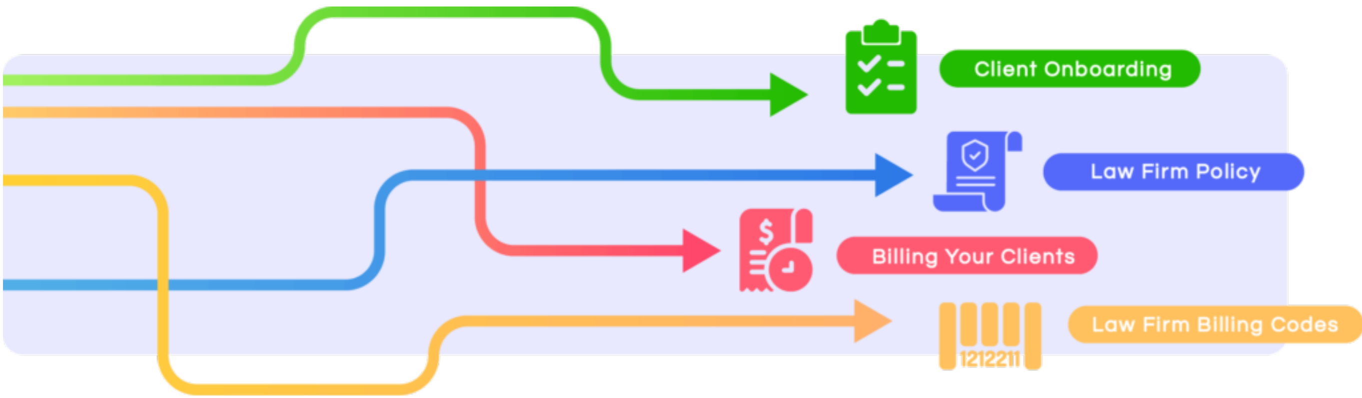
The legal billing process can be a challenge for every law firm, but it doesn't have to be. A combination of the right policies, procedures, and technology can be used to stay on top of attorney time and make the billing process efficient and accurate.

Software that encompasses both practice management and time and billing in one platform is an effective way to keep everyone on the same page and meet your clients' needs. Use your firm's legal software and good policies and procedures to:

- Set up a client onboarding process that is consistent, seamless, and gives your new client confidence in your firm;
- Ensure that all of your attorneys and paralegals are following your firm's protocols so that you use your billing process to communicate value to your clients with accurate time entries, and make the end-of-month billing process efficient and painless.



Client Onboarding

Your law firm's billing protocol should start with your client onboarding process. Using your practice management software, create a standardized client intake form that captures all of the necessary information upfront. It is important to set appropriate expectations from the start. Once the client and attorney have agreed on a budget and a billing rate, an engagement letter should be sent to the client for signature to ensure all parties have acknowledged in writing what is included in the representation and what the fees will be for that scope of work. Best practice steps include:

- Standardized intake for all clients.
- Attorney speaks with the client and comes to an agreement on the scope of work and cost.
- Assistant sends engagement letter (EL) to client and calendars a task in the practice management system to ensure a signed EL is returned by the client.
- Assistant notifies attorney when signed EL is returned so that work may commence. (It is risky to start work before that signature comes back – clients sometimes change their minds!)

Law Firm Billing Policy

Once the client has been engaged and you have received the returned EL (and a retainer payment if one was requested), it is time to get to work. Your firm should have protocols in place that set clear expectations for your attorneys with regard to posting their time to your time and billing system promptly. Research shows that up to 30% of fees are lost when time is not captured concurrently. Best practice steps for a firm billing policy include:

- Create and communicate a timekeeping policy and ensure it is supported by leadership.
- Give proper training, including do's and don'ts/time entry examples for your practice. Time entries should be succinct with enough information to show value without being overly wordy.
- Require concurrent timekeeping.
- Use a user-friendly time and billing program. A cloud-based system will help your attorneys to capture time no matter where they are.
- Teach your attorneys to use your billing system's timer.
- Provide your timekeepers with weekly MTD reports on their posted time to keep them from falling behind.
- Provide appropriate non-billable task codes for capturing tasks such as business development, internal meetings, training, etc. so that everyone can see where their non-billable time is going.

Law Firm Billing Codes

Some clients require LEDES e-billing, and it is important that your time and billing software support this requirement. The American Bar Association has created a Uniform Task-Based Management System (UTBMS) that allows large clients (typically insurance companies, but sometimes large corporations), to track the work their law firms are performing by task. The Litigation Code Set is most often used, but there are other sets for Counseling, Project, and Bankruptcy Codes as well.

For your clients who use the LEDES e-billing practice, it is important that your time entries are drafted very carefully. Your invoices will be reviewed by a third-party administrator who is looking for anything that appears to have the potential of being an uncovered activity. Best practice steps for LEDES e-billing include:

- Ensure you use the UTBMS task codes for your time entries. You may require your timekeepers to enter these themselves, or you may have a billing clerk handle the entry of all of the appropriate codes when it is time to review pre-bills.
- Train your paralegals on the importance of very accurate billing descriptions that do not sound clerical in nature.
- Train your attorneys on the importance of very accurate billing descriptions that do not give the appearance of being a task a paralegal could have performed.
- No block billing. Zero. If you receive an email and you respond to an email, it requires two separate entries.
- Someone in your billing department should review these pre-bills carefully prior to submittal to try to avoid time entries from being rejected.
- If you do receive a rejection for time entries, you can appeal the decision with more information, but it is much easier and more efficient to avoid this process by getting things right from the start.
- Be sure to read your client's billing instructions carefully. Each client will have different billing guidelines. Many will not pay for what they consider to be operating expenses, such as online research, postage, and photocopies.

Billing Your Client

When it comes time to send your clients their invoices, if your attorneys and paralegals have kept accurate, concurrent time and they have followed your firm protocols for time entries, the billing process should be painless. Your time and billing software should allow you to have a billing template that is specific to your firm. Some software will allow you to review invoices in the pre-bill state within the system, where partners can review the pre-bills, forward questions to timekeepers on their time entries, and release the pre-bills to be invoiced when questions have been answered. Best practice steps in the billing process include:

- Firm manager reviews pre-bills for accuracy in billing rates, client disbursements, and overall appearance.
- Responsible partner reviews pre-bills to ensure time entries are accurate and communicate value to the client.
- Firm manager or billing clerk processes pre-bills using firm's billing template to submit invoices to clients.

Take a Breather (Until Next Month!)

The monthly law firm billing process does not have to be painful. With the right technology and a few policies and procedures in place, your process can run smoothly and you can have accurate invoices that show value your clients are willing to pay for.