

Legal Billing Dos and Don'ts

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Maximize Efficiency and Avoid Accounting Problems



Effective billing can be a tough nut to crack for small firms and solo attorneys. You need to be paid for your work, but what if clients just aren't pay their bills? Or worse, what if you're not keeping proper track of *how much* you should be paid?

If your time and expenses are your main sources of revenue, you don't want to take chances with your livelihood. Here's a list of dos and don'ts to help **maximize your billing method**.

Do:

- Track your time and expenses immediately and accurately. If you work six billable hours on Monday, don't wait until Friday to enter those hours in your ledger; this can only lead

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to mistakes. Also, if you make a practice of reporting your time and expenses immediately and accurately, clients will be less likely to dispute their invoices.

- Set a billing period and stick to it. If your billing period is one week, prepare and send your invoices at the end of the week, not the end of the month. Waiting to send your invoices only adds unnecessary days or weeks to your cash-conversion process.
- Treat your time and expense reports and invoices as cash. Consider them the most important documents for your business, particularly if you bill time as your primary source of revenue.

Don't:

- Give your clients an excuse for not paying on time. If you call them to ask about late payment, don't ask them if they received the bill. Chances are they'll say it must have got lost in the mail.
- Delay preparing and sending your invoices to clients. This only prolongs the amount of time it takes to see those invoices turned into cash and can leave your company with an slim cash flow.
- Think you still have to write down time and expenses with a pen and paper. There are a number of computer and online programs available to track time and expenses, including some that can be accessed with a mobile phone. This can make it easier to report your time and expenses when you are away from your office or computer.

Make billing a priority in your firm. **This is the one area that can't be relaxed.** Reporting your billable hours should be part of your daily routine, and make no excuses for yourself - or your clients.

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