

## BILLING AND TIME SLIPS

Accurate time slips should always be kept whether written, dictated, or entered directly into a computerized billing program. If the attorney has trouble remembering to write down time, the attorney can dictate the time after each telephone call or office conference, or at the end of dictating other material. Ideally, the lawyer should enter time directly into the billing program.

If the office is not using a computerized billing program, create a document in the word processing program for all current bills. Make each bill a separate page in that document. Keep the bills in alphabetical order by client name. When a new file is opened, insert the billing letterhead into the appropriate place in the billing document and add the client's name and address. Time and expenses can be entered as ordinary text or in a table. When the table feature is used, formulas can be inserted to aid with computing time spent or expenses incurred. Here is an example of three time entries with the formula and table border visible:

Professional Services Rendered	Hours
Review medical records obtained from Dr. Jones	1.5
Office conference with Dr. Jones regarding client's prognosis	1.0
Phone conference with client regarding defendant's settlement offer	.50
	{=SUM(ABOVE)}

Here is the same table without borders, showing the result of the formula:

Professional Services Rendered	Hours
Review medical records obtained from Dr. Jones	1.5
Office conference with Dr. Jones regarding client's prognosis	1.0
Phone conference with client regarding defendant's settlement offer	.50
	3.0

Spreadsheet and database programs may also be used to create client bills. These programs have advanced features to assist with calculating time and expenses.

Time entries should be made on a daily basis, and reviewed at the end of the billing cycle, so the bill can be finalized before printing. If a computerized billing program is used, the hourly charge will be computed automatically. If a word processing, spreadsheet, or database program is used, charges may have to be computed and typed manually.

If the secretary or attorney enters time on a daily basis, a great deal of time can be saved when it is time to finalize and mail the bills. It should not take more than 15 minutes per day to make these entries if they are done regularly. In other words, the secretary will not be tied up with the billing process for days or a week each month while other important matters wait until the bills go out, or the bills are put aside until the secretary has sufficient time to get them ready.

Be consistent in your billing practices. Send bills out at the same time each month, preferably before the 30th, and always include a due date on the statement. Most people and businesses are prepared to pay bills at the first of the month. Late arriving bills are often put off until the next month. A copy of the bill should be kept in a monthly file of all bills sent out that month and in the client's file. Any records related to trust accounting must be held for five years. ORPC 1.15-1(a).

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If cash flow is an issue, consider two billing cycles. Divide the client list in half. Mail or email A-M bills by the 15<sup>th</sup> and N-Z bills by the 30<sup>th</sup>. This simple step can improve the financial health of your firm by leveling the natural peaks and valleys of accounts receivable and payable. Improved cash flow is important if you need to spread out the age of your accounts receivable. (The number of accounts that are 30 days, 45 days, or 60 days past due.) Dividing the billing cycle also increases your average daily bank balance because you are collecting more accounts throughout the month. If you apply for financing, the age of your accounts receivable and your average daily bank balance will be key factors in the loan evaluation process.

At the conclusion of a case, the bill should be completed and sent out immediately. Clients are the most receptive to paying the bill when they need help. Once the case has concluded, the client's memory of your work and the assistance you provided may fade quickly. The passage of time generally brings other pressing financial demands and your bill may be put to the side. Bill promptly and it will increase the likelihood that you will be paid. For additional tips regarding getting paid, go to our website at [https://www.osbplf.org/assets/in\\_briefs\\_issues/Avoiding%20Unpaid%20Fee%20Traps.pdf](https://www.osbplf.org/assets/in_briefs_issues/Avoiding%20Unpaid%20Fee%20Traps.pdf).

The bill should show fees charged, costs incurred, and trust account activity. Remember that client funds cannot be transferred out of the trust account until notice has been sent to the client. Generally this is done through the monthly billing statement.

## IMPORTANT NOTICES

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