

Law Firm Billing and Collections System

Wealth Horizons Academy | \$497

MAXIMIZE REVENUE AND MINIMIZE WRITE-OFFS

Inefficient billing is the silent profit killer in law firms. Studies show attorneys bill only 65-75% of the time they actually work. This system captures the lost revenue.

MODULE 1: TIME TRACKING MASTERY

The Time Tracking Imperative

Every 6 minutes of unbilled time per day = 4.3 hours per month = over \$1,000 in lost revenue at \$250/hour.

The solution: Track time in real-time, not from memory at the end of the day.

Time Tracking Best Practices

1. Start a timer when you begin any billable activity
2. Capture every phone call, email review, and research session
3. Minimum billing increment: 0.1 hour (6 minutes)
4. Enter time description immediately while details are fresh
5. Review and finalize time daily before leaving the office

Time Tracking Technology

- Clio Manage: Time tracking built into case management
- Tabs3: Standalone billing with time tracking
- TimeSolv: Cloud-based with mobile app
- Bill4Time: Simple and affordable
- Toggl: Basic time tracking with billing export

MODULE 2: BILLING SYSTEMS THAT GET PAID

Billing Frequency Best Practices

Bill monthly without exception. Monthly billing: - Keeps matter fresh in client's mind - Reduces sticker shock (smaller bills more frequent) - Improves cash flow predictability - Reduces disputes (issues caught sooner)

The Perfect Invoice

- Clear client and matter identification
- Itemized time entries with date, description, hours, rate
- Total fees with running matter total
- Expense reimbursements itemized
- Amount due and due date prominently displayed
- Multiple payment options available

E-Billing and Online Payments

Firms that accept online payment collect 30% faster.

Payment options to offer: - Credit/debit cards (LawPay, Clio Payments) - ACH bank transfer - Online bill pay portal - Payment plans for larger matters

MODULE 3: COLLECTIONS PROCESS

The Progressive Collections Sequence

30 days overdue: Friendly reminder call (personal, not form letter) 45 days overdue: Formal demand letter with payment plan offer 60 days overdue: Partner review and client contact 90 days overdue: Suspension of services pending payment 120 days overdue: Collections decision (write off, collection agency, or fee arbitration)

Avoiding Collection Problems Proactively

- Collect adequate retainer upfront
- Replenish retainer before it is depleted
- Communicate billing proactively on larger matters
- Address billing disputes immediately when raised

- Create payment plans before accounts become seriously delinquent

Trust Account Collections

Trust account funds belong to the client until earned. You cannot take fees from trust without: - Sending a statement showing services rendered - Giving client adequate notice - Following your state bar's specific trust account rules

Each state bar has specific rules — know yours precisely.

Educational purposes only. Not professional advice. Results vary.

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