

Popular Threads on Solosez

Billing

What degree of detail is required in a bill? For example, is it necessary to specify the contents or purpose of a teleconference or is it proper to just state the time spent on the call?

I don't think any amount of detail is required, although from a client's perspective more is usually better. Instead of "Prepare brief," you might say "Prepare Reply to Defendant Jones' Brief for Motion to Dismiss." Instead of "Telephone call to client," you might say "Telephone call to Jones re: landlord's duty to mitigate when rent unpaid." Instead of "Meeting with client," you might say "Meeting with Jones re: forward progress and schedule in Jones v. Smith."

This avoids the invoice simply being a string of "Telephone call to client," with no further explanation. Also, the detail may jog client's memory so an explanatory call to you is avoided, which saves you time. I think in the final analysis, we should put ourselves in the client's shoes and say, "Given what I know as a client, what would be appropriate for me to read as an explanation of the legal service rendered." The only danger, which may be slight but still existent, is that during a request for fees and costs an attorney's time sheets might be required to be displayed before the court for justification of the request. That means your explanation details should merely show broad subjects and not legal strategy or other attorney-client or attorney work process-protected materials.

Arthur B. Macomber, Coeur d'Alene, Idaho

Regarding a challenge by opposing party or an offer of proof for fee shifting, is it enough specificity to simply state the time spent on the task? for ex. 11/21/06 Researching and writing Mot. Prel. Inj. 2 hours.

This is how I log in my time on an Excel spreadsheet. I am looking for a time keeping software but my general philosophy is to avoid complicated software. In my opinion, a well integrated but "less robust" software is infinitely more useful than an underused "powerful" software. Any suggestions in this regard are appreciated.

Best regards,

Steven B. Pollack, Highland Park, Illinois

JMOP, but good time and billing software makes life much easier.

Enter the time and description once as you work, and with a single click you can get a pre bill generated for review, or generate a final bill, or enter a payment that automatically allocates every penny to the correct G/L

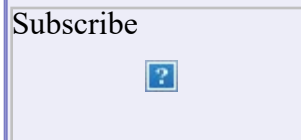


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account, or get a wip report, or see AR, or do any number of things. Could I set up excel, which I also need to have, to do all that? Maybe. Would it take more than 3 hours? Definitely. I bought my time and billing software for \$50.00 second hand.

Good time and billing software is well worth the price, even if it does have features I don't really use.

F. Joseph Gormley, Annapolis, Maryland

That depends on your style, agreement with client and the ability of your billing system. Since the time quite a few years ago that we got computerized I do a full info on each entry - type of work (letter, phone call, pleadings, document prep, etc) and what was done. That both advises the client of what was done and when and, at times, even allows you to check up on the matter. I have seen other attorney bills with minimum information and just do not like them and have always figured that clients would think the same.

Art Mouton

I always liked to provide at least some level of detail regarding what the conference was about. If you look at Chapter 3 of How to Draft Bills Clients Rush to Pay by J. Harris Morgan and Jay G. Foonberg, believe there are 3 basic components to billing: 1- Delineation of Work Done 2 - Verb Orientation 3 - Time vs service duality

Which makes more sense to you a) Telephone conference with client or b) Telephoned client to review whether to organize new company as an LLC or as an "S" corporation." Choice b provides more detailed and lets the client know what the telephone call was about. B also demonstrates the verb orientation in that it shows action. Other action verbs include drafted, prepared, discussed, etc. If you invoice within 30 days of the work being done you stand a better than 90% chance of the bill being paid according to these authors. You may want to consider bi-weekly billing for all matters or dividing your clients in half so that half are billed on the first of the month and the balance on the fifteenth of the month. If you can learn when your clients normally pay their bills, adjust your billing cycle accordingly so you improve your payment chances.

I don't recommend that you break out each entry by detailing the time spent on that task or detail the amount of that task either, provide a total dollar amount and if you wish a total hours amount at the end of the bill.

I also don't recommend billing under expenses for costs to fax, postage (unless it's overnight fees) telephone call costs, etc. These should be included in your hourly rate. It's been my experience that clients who receive bills like this feel they are being "nickel and dimed to death". So either figure some amount for this type of general expense into your overhead or if your state rules allow it, add a percentage to the bill for these expenses.

The ABA has several books on billing including the title I included above

that you should consider getting. Your state has a Law office Management Assistance Program headed up by Pete Roberts who is a great guy. Here's a link to the web page <http://www.wsba.org/lawyers/services/lomap.htm> They also have a lending library which includes the Morgan/Foonberg book as well as many others that you can borrow.

Nerino J. Petro, Jr., Wisconsin

Your bill is a critical and important client communication. Clients may not read all of the legal documents you send them, but you bet that they will review the bill and read it. I respectfully disagree with those who say otherwise. A client may accept and pay a terse statement, but that doesn't mean they are happy with it.

As J. Harris Morgan said in his book *How to Draft Bills Clients Rush to Pay*, * your bills should communication effort by the lawyer and value to the client. A detailed bill is critical! For client communication purposes, it assures regular contact and status reports. For defense of bar complaints, this is your proof that the client knew exactly what was being done or not done. For marketing purposes, it convinces the client you are giving them true value for their hard-earned money.

Spend some extra time making sure your bills are descriptive each month. It is one of the keys to a successful practice.

I know there are some exceptions, like the client who requests to have short conclusory bills or sending a statement for the second half of a flat fee. But that makes the point. Those are the exceptions. This is the Rule.

*I adopt and incorporate by reference everything Nerino said previously.

Jim Calloway, Oklahoma

I have always found the more detailed the bill, the better.

The point is that you want the client to get to the bottom and see the justification for the number BEFORE they call you to ask you to justify the number. Because if they feel motivated to call and ask, you're already generally trying to overcome their sense that they are being overcharged - even though they are not being overcharged.

If, on the other hand, before they see the number at the end they have read through three or four pages of good descriptions of what was being done, all the while understanding why you had to do that and recalling the calls, letters, and emails where you discussed doing this or that with them and the costs of same and got their explicit authority for doing this or that, they just tend to write a check.

If they have the money.

But that's another topic.

F. Joseph Gormley, Annapolis, Maryland

It depends upon what your client is willing to live with. Some attorneys send a bill with a number on it. Others send details beyond belief. There is no rule unless you are applying for fees and then the court will have specific rules.

Marc Stern, Washington

Put in a reasonable amount of detail about what you discussed or did. There are several reasons for this:

1. You should look at your bills not merely as a request for payment, but as a monthly status report to your client. Clients are more likely to pay your bills quickly if they see you are making progress. A line for "telephone conference" doesn't show progress. Say with whom, and about what. More detail is better, but you don't need to get carried away.
2. If your bills ever get challenged, or if you are in a position to seek to collect legal fees from an adversary, you'll need some detail in your bills.

Patrick W. Begos, Westport, Connecticut

Some billing programs allow you to enter information that shows up on the bill, and also enter information that is linked to the item but which does not show up on the bill. As a result, the information is there and available for review, but not on the printed page. E.g. smartweal.com

Paul Hogan, Sunnyvale, California

You don't want to be too specific since the bill could become public if you were to sue someone to reimburse your client's attorney's fees. I just state the time and identify the work e.g. Email to client, or email to opposing counsel

S. Keith Engelke

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