

## Technology and Billing | Best Practices in Billing and Invoicing as a Business and Client Development Tool

Many types of legal billing software exist, usually combined with law practice management software there are two basic types;

- A. Computer based data resides on your system in your office. Examples are Amicus, HoudiniEsq. Practicemaster (although at this point they may have a cloud platform as well).
- B. Cloud based data is in the cloud examples are, Clio, Rocketmatter and newcomer LEAP. You can access your information from any mobile device.
- C. All of these typically have time and billing, calendaring, some have client portals (through which you can securely share a document with a client), conflicts checks and other features.

You can still prepare bills through systems such as Quickbooks and Freshbooks which are not legal software but accounting software.

When billing clients it is always better to have a detailed bill specifying what work was performed, who performed the work and the date and duration. Any bill where the client can recognize most of the dates and times and feels that there are not “phantom” billings will make the client less likely to question the bill and more likely to pay promptly.

Of course, the client should never be charged for time spent discussing the bill if they have questions!

An example of a detailed itemized bill followed by a non-itemized bill:

**Amazing Attorney & Associates, P.C****INVOICE**

Invoice # 893  
Date: 03/01/2017  
Due On: 03/11/2017

Ungrateful Client  
123 Anytown St.  
Anytown, NY 11111

00184-Client

**Divorce**

Type	Date	Description	Quantity	Rate	Total
Service	02/08/2017	Client Meeting: Meeting with client to discuss terms of agreement.	1.00	\$350.00	\$350.00
Service	02/09/2017	Email: Email to opposing council to discuss terms of agreement.	0.20	\$350.00	\$70.00
Service	02/09/2017	Telephone Call: Telephone call with client to discuss changes to agreement.	0.30	\$350.00	\$105.00
Service	02/10/2017	Document Draft: Reviewing agreement and making client's requested changes.	0.70	\$350.00	\$245.00
Service	02/16/2017	Client Meeting: Agreement execution	2.00	\$350.00	\$700.00
Expense	06/28/2017	Reimbursable expense	1.00	\$0.00	\$0.00
				<b>Total</b>	<b>\$1,470.00</b>

**Detailed Statement of Account****Current Invoice**

Invoice Number	Due On	Amount Due	Payments Received	Balance Due
893	03/11/2017	\$1,470.00	\$0.00	\$1,470.00
			<b>Outstanding Balance</b>	<b>\$1,470.00</b>
			<b>Total Amount Outstanding</b>	<b>\$1,470.00</b>

Please make all amounts payable to:

# Lazy Law LLC

## STATEMENT OF ACCOUNT

DATE: March 1<sup>st</sup>, 2017

TO: Careless Client

**For professional services rendered in connection with the above, including the following:**  
Conference with opposing council; telephone call with client; court appearance in Kangaroo  
Supreme; drafting all documents

Hourly rate: \$400

Total hours devoted to matter: 4.5                      \$1,800

**Balance due now    \$1,800**

Additionally, your billing will be partially dictated by your retainer agreement. Any billing practice you wish to implement such as credit card authorization, confession of judgment or liens must be in your retainer agreement. I have listed some conclusions on recent NYSBA ethics opinions in the materials.

The full opinions are listed at <http://www.nysba.org/Ethics/>

My personal favorite of these opinions is number 1052. You can actually offer to compensate your client by reducing their bill for giving you a review online! You can not tell the client what to write however it greatly increases the chances that they will actually leave a review.

#### Recent NYSBA ethics opinions

1. New York State Bar Association  
Committee on Professional Ethics

##### Opinion 1139 (12/11/17)

A law firm may seek its clients' agreement to modify its retainer agreement with the clients during the pendency of a current matter to secure payment, by confessions of judgment and collateral mortgages, of fully earned but unpaid legal fees and expenses in an amount on which the parties agree, if the law firm complies with the rules governing business transactions with clients and is mindful of ongoing obligations to avoid general conflicts of interest.

2. New York State Bar Association  
Committee on Professional Ethics

##### Opinion 1134 (10/6/17)

A lawyer may secure payment of legal fees and expenses in a domestic relations matter unless doing so violates a law or rule of court, which is a question of law beyond the jurisdiction of this Committee to resolve.

3. New York State Bar Association  
Committee on Professional Ethics

##### Opinion 1112 (1/7/17)

A lawyer's retainer agreement may provide that (i) the client secures payment of the lawyer's fees by credit card, and (ii) the lawyer will bill the client's credit card the amount of any legal fees, costs or disbursements that the client has failed to pay within 20 days from the date of the

lawyer's bill for such amount, as long as the credit card charge complies with the requirements previously set forth in our opinions, including that the client is expressly informed of the right to dispute any invoice of the lawyer (and to request fee arbitration) before the lawyer charges such amount and that the lawyer does not charge the client's credit card for any disputed portion of the lawyer's bill.

4. New York State Bar Association  
Committee on Professional Ethics  
Opinion 1087 (3/23/2016)  
Topic: Charge for cancelling meeting with lawyer

A lawyer may ethically charge a nominal amount to a person who cancels an appointment for an initial consultation without reasonable notice, provided the lawyer informs the person (orally or in writing) what will trigger the cancellation charge and the charge either represents the cost incurred by the lawyer as a result of the late cancellation or the client has given advance consent to the amount of the charge.

5. New York State Bar Association  
Committee on Professional Ethics

Opinion 1052 (3/25/15)

Topic: Compensating clients to rate lawyer on Internet website

A lawyer may give clients a \$50 credit on their legal bills if they rate the lawyer on an Internet website such as Avvo that allows clients to evaluate their lawyers, provided the credit against the lawyer's bill is not contingent on the content of the rating, the client is not coerced or compelled to rate the lawyer, and the ratings and reviews are done by the clients and not by the lawyer.