

Tip of the Month

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The ABCs of Time Entry

Chalk it up as one more thing you didn't learn in law school – time entry for client bills. Properly capturing your time and accurately describing it on your bill is how lawyers are paid. And while sending out a monthly invoice is crucial to running your legal practice, it is also a helpful way of tracking the work you perform for each client, and therefore, a good guard against a potential malpractice claim. So, how do you craft a meaningful billing entry that gets you paid and protects against future claims? It is as easy as 1-2-3.

1. Accurately describe the work performed – First, describe the work you did with an action verb. Did you review, draft, or analyze that pleading or letter? Start all of your entries this way to convey the action you took and to maintain consistency throughout the bill.
2. Explain why the work was done – Next, explain why you reviewed, drafted, or analyzed that pleading. For example, "Review Complaint for purposes of drafting Answer and Affirmative Defenses." This entry actually states your purpose for reviewing the Complaint and conveys your intentions for future work. When your client sees a time entry later in the bill for preparation of the Answer, they will understand all of the work necessary to complete that task. It also provides a nice timeline for demonstrating what work was performed that month.
3. State the precise amount of time spent on the task – A cardinal rule worth repeating – never pad your time. If your fee agreement shows that your work will be billed in quarters or tenths of an hour, your billing statement should reflect that agreement. On the flip side, never cut your time when entering it. At the end of the month, review the bill and see if any entries warrant a reduction of time. Your client will love to see money come off their bill by way of a "professional discount" or "no charge." This preserves the integrity of the bill if disputes arise as to the work performed or amount of time spent on a task.

ABA Model Rule 1.5 also highlights another reason for carefully crafting your time entries. Rule 1.5 states that a lawyer shall not charge an unreasonable fee or an unreasonable amount for expenses. One of the factors in determining the reasonableness of the fee includes the time and labor required, the novelty and difficulty of the questions involved, and the skill required to perform the legal service properly. The Rule speaks to being specific in your billing entries in order to demonstrate (and perhaps defend) the reasonableness of your bill to avoid fee disputes down the road.

Quite simply, good time entry habits can be a benefit to both you and your client. A bill with carefully constructed time entries can serve as a helpful roadmap to where your case is going and perhaps prompt you to give your client a status report. It can also act as a back up to your diary system by confirming the timeline of the case and the work you performed on your client's behalf. By accurately capturing and reporting your time in proper billing entries, you can demonstrate the reasonableness of your fees and possibly protect yourself from a future malpractice claim. And remember, your bill is correspondence, so be sure to proofread it like any other letter (just like you learned in your 1L Legal Research and Writing course).