Attorney Billing: The Complete Guide

How attorneys bill is the most common source of friction between law firms and their clients, and one of the least understood parts of legal practice. This guide explains how attorneys bill their time and hours, what they can and can’t bill for, what block billing is and why to avoid it, and the questions clients ask most: itemized bills, interest on unpaid invoices, privilege over billing records, and tax deductibility. It consolidates and replaces our earlier posts on billing models and the attorney billing cheat sheet.

How Do Attorneys Bill?

Attorneys bill in one of four basic structures, and many firms mix them across practice areas:

1. **Hourly billing.** The most common method. The attorney tracks time for each task and matter, then charges at an agreed-upon hourly rate. Hourly billing is appropriate for matters where effort can’t be predicted

in advance, such as litigation. Rates vary by geography, experience, and practice area.

2. **Flat (fixed) fees.** One set price for a defined matter, agreed before work begins. Example: instead of $200 an hour for an uncontested divorce, the attorney charges $2,000 for the whole matter. Clients like the certainty; firms need good historical time data to price these profitably.
3. **Contingency fees.** The firm takes an agreed percentage of any recovery, common in personal injury. Riskier for the firm (no recovery, no fee) but potentially higher earnings on successful cases.
4. **Hybrid arrangements.** Blends such as reduced hourly plus a success fee, or flat fees for defined phases with hourly billing for the unpredictable parts.

Most hourly firms also require a **retainer**: an advance deposit held in trust, drawn down as fees are earned and replenished as needed.

How do attorneys bill their time and hours?

Hourly attorneys record time in **billing increments**, the smallest unit of time on an invoice. The industry standard is one tenth of an hour (0.1 = six minutes); some firms use quarter hours. Every task gets rounded up to the nearest increment, so a three-minute phone call bills as 0.1 hours. Each entry carries the date, the timekeeper, a description of the work, the time, and the rate. Entries accumulate per matter and appear line by line on the invoice. Rounding up to a minimum increment is an accepted practice; billing more time than was actually worked is an ethics violation. For benchmarks on how many hours lawyers bill, see our billable hours guide.

What Can Attorneys Bill For?

Anything the fee agreement says is billable, performed in service of the client's matter. In practice, that typically includes:

- Legal research, drafting, and document review
- Court appearances, hearings, depositions, and mediations
- Phone calls, emails, and meetings about the matter, including with opposing counsel and co-counsel

- Reviewing the file to prepare for a call, hearing, or meeting
- Paralegal and staff time on substantive legal work, billed at lower rates
- Case-related expenses (filing fees, court reporters, experts), passed through per the agreement

The dividing line is the **engagement letter**. The same task, say a conflicts check, can be billable at one firm and overhead at another. Purely administrative work (making copies, preparing the firm's own invoices) is generally not billable, and some firms distinguish billable from non-billable by whether the task is legal or administrative rather than by who performs it. For the flip side, see our companion post: What Can't Attorneys Bill For?

How do attorneys bill for emails?

Like any other task: in minimum increments with a clear description. Reading or writing a substantive email about the matter is billable work, and a short email typically bills at the minimum increment (0.1 hours in most firms). Best practices:

- Bill substantive emails (advice, strategy, negotiation), not one-word confirmations or scheduling pings
- Describe the content: "Email to opposing counsel regarding deposition scheduling," not just "email"
- Batch-related messages were reasonable rather than stacking a dozen 0.1 entries in one thread
- Set the expectation in the engagement letter so clients aren't surprised that email costs money

What Is Block Billing by Attorneys?

Block billing means lumping multiple tasks into a single time entry instead of listing each task separately. A block-billed entry looks like this:

"Drafted pleadings, conferred with opposing counsel, reviewed medical records – 6.5 hours"

– Example of block billing (avoid this)

Clients and courts dislike block billing because it hides how long each task actually took, and it's sometimes viewed as a way of padding the bill. Fee-shifting courts routinely cut block-billed time. The fix is single-time entries: each task is listed separately with its own time and a description that is detailed but brief. Compare:

"Telephone conference with expert witness in preparation for trial – 0.4 hours"

– Example of a single, well-described entry

The entry gives the client enough detail to know exactly what they're paying for, without a blow-by-blow narrative. Two or three words are too little; a paragraph is too much.

Does an Attorney Have to Provide an Itemized Bill?

In most circumstances, yes, on request. Attorneys have a professional obligation to communicate the basis of their fees, and clients are generally entitled to enough detail to understand what they're being charged for. Many state bar rules and fee-dispute programs expect itemization showing the date, the task, the time spent, the timekeeper, and the rate. Some jurisdictions require itemized statements before an attorney can sue for unpaid fees.

For firms, itemized billing isn't just compliance; it's a collections strategy: detailed invoices get paid faster and disputed less. If you receive a lump-sum bill from a lawyer, it's reasonable to request an itemized statement; a firm with clean contemporaneous time records can produce one in minutes.

Can an Attorney Charge Interest on an Unpaid Bill?

Generally, yes, if the client agreed to it in advance. The interest term belongs in the engagement letter or fee agreement, and the rate must comply with state law and ethics rules; many firms use modest rates such as 1% to 1.5% per month on balances past 30 days. Ethics opinions in most jurisdictions permit reasonable interest or late charges that were disclosed upfront; springing surprise interest on a client who never agreed to it invites a fee dispute.

In practice, most firms find prevention more profitable than interest: bill frequently in smaller amounts, offer credit card and ACH payments, automate reminders before and after the due date, and use replenishing retainers so balances never age in the first place.

Are Attorney Billing Records Privileged?

Usually not, at least not entirely. Courts in most jurisdictions treat billing records as generally discoverable business records: the fact of representation, the hours worked, the rates, and the amounts billed are typically not protected by attorney-client privilege. What *can* be privileged is the content of the descriptions, where an entry reveals legal advice, strategy, or the motive for seeking counsel. In those cases, firms produce the records with the privileged narrative portions redacted.

The practical lesson for timekeepers: write entries that are specific about the work but don't embed confidential strategy. "Research regarding statute of limitations defense" describes work; "Research whether we can hide the Smith memo" is a problem in more ways than one.

Are Legal Bills Tax Deductible?

It depends entirely on what the legal work was for:

- **Business legal fees: generally deductible.** Legal fees that are ordinary and necessary expenses of running a business or producing business income (contracts, collections, employment matters, business litigation) are typically deductible business expenses.
- **Personal legal fees: generally not deductible.** Since the 2017 Tax Cuts and Jobs Act suspended miscellaneous itemized deductions, most personal legal fees (divorce, custody, personal injury defense, estate planning) are not deductible through at least the applicable tax years.
- **Notable exceptions.** Certain fees remain deductible above the line, including qualifying employment discrimination claims and some whistleblower awards. Fees tied to acquiring property may be capitalized rather than deducted.

Law firms can help clients here with clean itemization: when one engagement mixes deductible business work and non-deductible personal work, separate line items let the client's tax preparer allocate fees correctly. This is general information rather than tax advice; clients should confirm treatment with a CPA or tax professional.

Billing Best Practices for Law Firms

Whatever model you choose, four practices from our retired cheat sheet still carry the day:

1. **Define your billing style in writing.** Model, rates, increments, expenses, interest, and what counts as billable all belong in the engagement letter.
2. **Track everything; bill in single entries.** Contemporaneous tracking of every task, including non-billable work, gives you accurate invoices, defensible records, and the data to price flat fees.
3. **Show non-billable work as no-charge.** Entries that appear on the invoice at no charge document the value delivered without billing for it, and clients notice.

4. **Automate collections.** Batch invoicing, emailed bills with embedded payment links, automatic reminders, and stored payment methods shrink accounts receivable more reliably than interest charges ever will.

Bill Cleanly with TimeSolv

TimeSolv handles every structure in this guide: hourly with custom increments, flat fees, and hybrids, with single-entry time capture, customizable itemized invoices, no-charge entries, batch billing, and TimeSolvPay for credit card, debit, ACH, and eCheck payments with automated reminders. Try it free or schedule a demo.