

Five Reasons Your Law Firm Needs an Expense Tracking Software

Many law firms still rely on disorganized stacks of crumpled receipts, Excel spreadsheets, and filing cabinets to record and track their expenses.

The problem? These methods are outdated, inefficient, and error-prone—and a major administrative challenge for your attorneys and staff. By implementing a legal expense tracking software, your firm can pave the way for:

- More accurate expense tracking and invoicing
- Better organization of receipts and expense entries
- A data-backed understanding of your law firm's overheads
- Better budgeting and more profitable rates
- Less time wasted on tracking and filing your firm's expenses

Here are five good reasons for your law firm to ditch the filing cabinet and embrace a more modern approach to tracking expenses.

1. Keep expenses organized and accessible

If your firm is still tracking expenses the old-fashioned way, you probably know what a pain it can be to keep receipts filed and organized. Even a thoughtfully designed filing system requires diligence to make sure that every receipt is gathered, filed, and properly allocated.

And we all know how easy it is for a receipt to get lost on its way to your accounting team.

A [legal expense tracking software](#) allows you to immediately upload and attach receipts to expense entries—it also keeps these entries organized and accessible from anywhere. No more rooting through the file cabinet or

sifting through spreadsheets to find the one expense entry you need to accurately bill a client.

As an added bonus, you can even sync expenses added in your accounting software and attach expense entries and receipts directly to your invoices.

2. Save time on time tracking and invoicing

When it comes time to send a client an invoice, traditional methods require you to track down any related receipts or expense entries and double or triple check to make sure your firm is billing the accurate amount for these expenses. This can be a huge waste of time and an administrative hassle for your team, especially if the receipts in question got filed in the wrong place (or never filed at all).

With an expense tracking software in place, receipts and expense entries can be automatically attached to the corresponding invoice, saving you the time and trouble of tracking them down later. The ease of uploading receipts also makes it more likely that your attorneys will immediately enter their expenses and less likely that you'll misplace them.

3. Track expenses from anywhere

One of the greatest causes of lost and untracked expenses? Expenses incurred while your attorneys are on the go.

Most lawyers already struggle with spending too much time on administrative tasks, and the first thing they'll want to do when they get back to the office is attend to their billable hours. If they have no way to track or record their expenses while traveling, receipts from their trip can easily find their way to the wastebasket.

Choosing a [cloud-based](#) expense tracking software allows your attorneys to make expense entries anywhere and from any device, so they aren't tempted to put off recording expenses (or at risk of losing receipts before

they get back to their desks). The result is easier, more efficient, and more accurate expense tracking.

4. Bill more accurately

Keeping accurate track of your expenses plays a vital role in ensuring your legal matters remain profitable. Say, for example, that your firm is sending an invoice, and you know there was an associated expense you need to bill for. But when you go to add that expense to your invoice, you find the receipt has gone missing.

In the best-case scenario, you waste valuable time tracking down the associated receipt, and your invoice may be delayed as a result. In the worst-case scenario, you can't find the receipt or expense entry, and you now have no way of billing the client for it. Needless to say, this can easily eat into—or even eliminate—your profit margin for the matter.

Keeping your expense entries organized, complete, and readily accessible helps you ensure you're not giving clients accidental write-offs that threaten the profitability of your firm.

5. Stay on budget

On a larger level, using an [expense tracking software](#) helps your whole firm stay on budget.

The easier you make it for your attorneys and team members to keep accurate and complete records of expenses, the more likely you are to know exactly how much your firm is spending—and exactly where the money's going. A good expense tracking software will also include analytics tools to help you gain a more in-depth understanding of your expenses and adjust your spending (or your budget) accordingly.

You can even set budget limits that prevent members of your legal team from exceeding the amount of billable expenses allotted for a matter—an especially valuable feature for law firms who offer fixed-fee services.

6. Understand expenses and set profitable rates

Tracking non-billable expenses can be just as impactful for your profit margins as tracking your billable hours. That's because a full understanding of your overhead expenses is key to setting profitable rates.

Whether you're billing clients by the hour or using alternative fee arrangements such as [flat-fee billing](#), you'll need to factor in all the non-billable expenses that keep your law firm running before you get started setting a rate that will earn you a profit.

An expense tracking software gives your firm the ability to:

- View expenses by day, week, and month
- Organize expense entries by type
- Run reports to get a better sense of your overhead costs

This not only makes it easier for your firm to set profitable rates but also helps you identify and reduce unnecessary non-billable expenses.

Try the top expense tracking software for law firms

TimeSolv allows the members of your firm to easily track their expenses from anywhere—even offline. Our robust time tracking and billing software also offers:

- Time tracking and billing
- In-depth reporting and analytics
- Online payment processing, tracking, and recording through [TimeSolvPay](#)
- Bar-compliant trust accounting tools
- And more

If you're ready to leave the old filing system behind and get started with better expense tracking, [sign up for a free trial today](#) and find out why we're trusted by thousands of attorneys.