How to Cut DSO by 18 Days: Evergreen Retainers and Auto-Debit in TimeSolv

How long does it take to turn your firm's billed work into collected cash? For a law firm billing $3 million a year, an 18-day difference in DSO—days sales outstanding—can represent nearly $148,000 in working capital sitting in unpaid invoices instead of your firm's bank account.

Many firms try to solve this by sending more reminders, making more collection calls, or asking staff to watch aging invoices more closely. Those steps don't fix the core problem: payment is happening too late in the billing cycle.

Evergreen retainers and auto-debit create a better law firm accounts receivable management process by moving collections earlier in the billing cycle. Funds are available before work is billed, and approved payments can move without another round of client follow-up.

This guide shows how to use evergreen retainers and auto-debit in TimeSolv to cut DSO by 18 days, clean up the workflow behind it, and see what that improvement could mean for your firm's cash flow.

Why AR Aging Is a Cash Flow Problem Worth Solving

AR aging turns earned revenue into unavailable cash.

The longer invoices sit unpaid, the more pressure your firm feels around payroll, partner draws, vendor payments, and day-to-day cash flow. Over time, those delays create a larger cash flow issue. Your firm already earned the revenue, but the cash is still sitting outside the business.

Firm administrators and managing partners usually feel the strain first. They are the ones watching cash flow, reviewing aging reports, answering questions about collections, and trying to keep payment delays from turning into bigger operational problems.

As AR ages, the administrative burden grows for the team:

- Aging reports need more attention.
- Payment reminders become another recurring task.
- Retainers need more manual monitoring.
- Partners get pulled into client payment conversations.
- The firm has earned the revenue, but the cash is not available when it is needed.

DSO puts a number on that delay. It shows how long billed work stays trapped in accounts receivable and how much cash flow could be recovered by tightening the collection process.

Applying more pressure to clients after invoices become overdue isn't the solution. Reducing DSO starts with implementing a billing and payment workflow that makes late payment less likely in the first place.

How Evergreen Retainers and Auto-Debit Reduce DSO

In a traditional billing workflow, the firm does the work, sends the invoice, waits for the client to review it, follows up if payment does not arrive, and keeps watching the balance until the invoice is paid. Every step adds more room for delay.

Evergreen retainers and auto-debit change that timing.

With an evergreen retainer, the client agrees to keep a minimum balance available as the firm works on the matter. As fees and costs are billed, the retainer is replenished so the balance doesn't fall behind the work being performed.

With auto-debit, the client authorizes approved payments to be collected securely and automatically from their chosen payment method. Instead of

waiting for the client to find the invoice, open the payment link, and manually submit payment, the approved amount can move through the payment process with fewer delays.

Both workflow changes help prevent late and unpaid invoices so DSO naturally starts to shrink.

For law firms trying to improve accounts receivable management, that shift in timing makes a measurable difference. Instead of waiting for invoices to age before collections begin, the firm has a process that keeps payment moving alongside the work.

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What 18 Days of DSO Actually Costs Your Firm

Once you understand the workflow needed to cut DSO, the next question is what the improvement is actually worth to your firm in real numbers.

A simple way to calculate DSO is to divide your total accounts receivable by your firm's annual revenue, then multiply the result by 365.

Accounts receivable ÷ annual revenue × 365 = DSO

For example, if your firm has $148,000 in outstanding AR and $3 million in annual revenue, the calculation would look like this:

$148,000 ÷ $3,000,000 × 365 = about 18 days DSO

That means the firm takes about 18 days, on average, to collect payment after work has been billed.

It also means roughly $148,000 in working capital is tied up in unpaid invoices. For a firm trying to cut DSO by 18 days, that is the cash flow opportunity: moving that money out of AR and back into the firm's available cash.

How to Implement Evergreen Retainers and Auto-Debit in TimeSolv

A retainer workflow works best when the process is clear before the first payment is collected. Many firms use evergreen retainer law firm software to simplify retainer creation, payment collection, and reporting visibility.

Your firm needs the right fee agreement language, the right client communication, and the right setup in TimeSolv so retainer funds, invoices, replenishment payments, and auto-debit authorizations stay connected.

Here's how to build the workflow.

1. Start with Clear Fee Agreement Language

Start with the fee agreement. The client should understand the initial retainer amount, the minimum balance they are expected to maintain, what triggers replenishment, how replenishment payments may be collected, and how unused funds will be handled at the end of the matter.

This way, the client knows what to expect, and the firm has a consistent process to follow when the retainer needs to be topped back up.

2. Create the Retainer Invoice

Once the retainer terms are set, create the retainer invoice in TimeSolv for the correct Client-Matter. Include the retainer amount, invoice date, retainer number, message text, and output format so the client has a clear record of what is due and where the funds apply.

3. Assign the Trust Account and Set Replenishment Details

For trust-funded retainers, TimeSolv allows your firm to connect the Client-Matter to the appropriate trust account, define the replenishment amount, and decide whether invoices should be paid from that trust balance when funds are available.

The replenishment amount should match the matter and your firm's billing pattern. The goal is to keep the retainer from falling too far behind the work being performed.

4. Enable Autopay from Trust When Appropriate

For matters funded by trust retainers, autopay from trust can reduce the manual work between invoicing and collection.

When the Client-Matter is set up to pay invoices from trust, TimeSolv can automatically apply available trust funds to an invoice and mark it paid after it's created and sent.

That helps reduce DSO because payment is no longer waiting on the client to open the invoice, click a link, or take another manual step. From there, you can collect or record replenishment deposits to bring the retainer back to the agreed amount.

5. Store Authorized Payment Details for Future or Recurring Payments

For replenishment payments, recurring retainers, subscriptions, or flat-fee services, TimeSolv Pay can help reduce friction by storing authorized payment details for future use.

With TimeSolv payment processing, your firm can securely store approved client payment details for future use (regular services, retainers, flat-fee

agreements, etc.) when clients opt in, including card, ACH, bank account, or eCheck information.

Instead of asking the client to re-enter payment information every time a replenishment invoice is due, your firm can use the authorized payment method already on file.

6. Explain the Process Before There Is a Balance Problem

Keep the explanation simple: Your firm maintains an evergreen retainer so work can continue without billing delays. When the balance drops below the agreed amount, the client will receive the appropriate notice or retainer invoice, and the authorized payment method may be used to replenish the balance.

This helps clients understand the workflow as part of your firm's standard billing process. They know what will happen, when payment may be collected, and how they will be notified.

7. Review Trust Accounting Requirements Before Rollout

Evergreen retainers can involve trust funds, so the workflow needs to match your firm's trust accounting obligations. Requirements vary by jurisdiction, so be sure to review any applicable rules and regulatory requirements before rolling out new evergreen retainer law firm software or an auto-debit process.

At a minimum, the process should support clear records for:

- Client authorization
- Retainer deposits
- Retainer invoices
- Trust account activity
- Invoices paid from trust
- Replenishment payments
- Stored payment authorization
- Transfers between operating and trust, when appropriate
- Refunds of unused funds, when required

If a payment needs to be moved from an operating account to a trust account, TimeSolv supports transfers from available payment balances into the appropriate trust account.

If your firm uses credit card surcharging, include that in the review as well. Confirm that your operating, trust, and payment processing setup supports how you intend to receive and move funds.

The cleaner the setup, the easier it is to use evergreen retainers and auto-debit as a repeatable cash flow process instead of another collections task for the team.

Does Auto-Debit Damage Client Relationships?

Clients don't want surprise charges, and firms don't want payment collection to make the relationship feel strained. But auto-debit alone is rarely an issue if the process is clearly explained.

When clients understand the retainer terms, auto-debit can feel like a convenience instead of a collections tactic.

An initial client conversation about auto-debit may sound like this:

> *"Your retainer is designed to keep funds available as work moves forward. When the balance drops below the agreed amount, we will notify you and use the authorized payment method to replenish it according to the terms in our agreement."*

That gives the client the key details:

- What the retainer is for
- When replenishment happens
- How payment may be collected
- What notice they should expect
- Where the terms are documented

The same approach applies to invoices paid from trust. If the client knows that approved invoices may be paid from available trust funds, the payment process feels more predictable.

How to Measure DSO Improvement After Implementation

After the evergreen retainer and auto-debit workflow is in place, start tracking your AR aging improvement and calculating the working capital impact.

Start with your baseline DSO using total AR and annual revenue, then run the same calculation after the new workflow has had time to show a pattern.

Use TimeSolv's AR and aging reports to monitor unpaid balances, payment history, trust activity, and retainer replenishment patterns so you can see where collections are improving and where balances are still getting stuck.

Focus on these questions as you review the results:

- Has average DSO decreased since implementation?
- Are fewer invoices moving into older AR aging buckets?
- Are retainer balances being replenished before they fall too far behind the work?
- Are fewer invoices requiring manual reminders or partner follow-up?
- How much working capital has moved back into available cash flow?

An effective reduction means your firm has a more predictable collections process, fewer aging invoices, and less administrative time spent chasing payment after work has already been billed.

Use TimeSolv to Find More Ways to Cut DSO

Cutting DSO by 18 days starts with knowing where your firm stands today. TimeSolv payment processing and reports can help you connect those pieces in a more consistent billing and payment workflow, from retainer invoices and trust account autopay to recurring billing.

Ready to calculate your firm's cash flow recovery opportunity and see where your billing process can move faster? The next step is to look at your own numbers with more clarity in TimeSolv.

Book a demo now to explore built-in AR reports, retainer and trust activity, payment processing workflows, and ways to stay on top of cash flow before invoices age.

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