

Mastering Legal Accounting: Billing Strategies for Faster Payments

When trying to maximize your accounting process at your law firm, the faster, the better. A slow process can create inefficiencies for your firm, such as:

- Inaccurate time tracking, billing, and expenses
- Complicated approval processes
- Back-and-forth communication
- Missed payments

These snags can lead to a slower cash flow for your law firm and decreased client satisfaction. How can your law firm receive faster payments from clients? Ultimately, you can accomplish it by creating an [efficient billing](#) process.

What an ideal law firm billing process looks like

Billing seems like a straightforward process: track time, add it up, send it to the client, get paid, repeat.

But the reality is that billing can require a lot of back and forth between team members and between your firm and client. It also takes place amidst the ongoing work of running a law firm. What follows is a process that can get bogged down and convoluted.

With this in mind, the ideal billing process should take advantage of automated tools specifically designed to meet the needs of your law firm. This can include multiple items, including:

- **Accurate time and billing calculations** that eliminate the need for edits and back-and-forth communication

- **Automated systems** that can send out payment reminders, track time, and process payments
- **Customized templates** so you can meet your clients' needs and comply with relevant regulations
- **Batch invoice delivery** to easily send bills to similar types of clients
- **Clear client communication** through automated reminders and a secure client portal

Mastering your legal accounting can improve your cash flow, increase client satisfaction, and reduce the administrative burden on everyone at your firm.

7 components of an ideal law firm billing process

Now that you know what you're looking for in an ideal billing process, how do you integrate this into your law firm? There are seven key components.

1. Establish payment policies

Before jumping into creating your billing process, you must first establish clear expectations so your law firm and your clients are on the same page.

Your firm's payment policy should outline the following information:

- Billing rates
- Relevant regulations
- Frequency of invoices
- Payment terms
- Accepted payment methods
- Fees for late payment

Once you've thoroughly documented your payment policies, share them with law firm staff and clients. Incorporate your policy into the onboarding process, provide a link to it on all invoices, and update it whenever there is a change. Attention to detail here will reduce client confusion and build trust in your professionalism.

2. Incorporate automated time tracking

Avoid calculating your billable time after the fact, at the end of the day or week, as this can quickly lead to billing errors and delayed payments.

Instead, integrate an [automated time-tracking system](#).

Automated time-tracking software speeds up invoicing and makes payment cycles more consistent, allowing your clients to adjust their budgets accordingly.

When these factors are aligned, your clients will find it easier to render payments, and you'll see your cash flow increase.

3. Create custom invoices

Invoices. They might seem like an afterthought, but this small document can pack a big punch for timely payments.

With [customized invoice templates](#), you can specify what items you want on your bills, such as:

- Billing period
- Description of services provided
- Time entries
- Billing rates
- Expenses
- Amount due
- Previous balance
- Payment terms
- Trust account information

A fully detailed bill decreases the chance that a client will dispute items on the invoice. It also fosters trust in your firm, increasing the likelihood your clients will pay promptly.



The Ultimate Guide to Automating Your Legal Billing and Payments



The Ultimate Guide to Automating Your Legal Billing and Payments

To stay competitive in today's legal landscape, law firms must embrace the power of technology, especially when it comes to billing and payments.

The best way to improve your law firm's cash flow while also increasing client convenience is 'Automation'.

Download our free guide to improve your legal billing and payment process today!

[Get your free guide](#)

4. Use online payments

Gone are the days of mail-in billing. With more options for online payment than ever, law firms can tap into digital processes to streamline their billing process.

Online payments reduce payment time and administrative overhead for your firm, but also creates an easy, clear process that lets your clients pay without additional hassle. And because the process is online, you can

seamlessly integrate with your other software systems, such as time tracking, while using automated calculations that eliminate manual entry errors.

Not all payment processors are the same, though. Law firms have unique payment needs that they need to consider before investing in a solution.

With [TimeSolvPay](#), you can safely store, allocate, and use credit card and ACH payment information. You can also issue refunds and credits and sync payments across systems. The most important part, though, is that TimeSolvPay does all this while helping you maintain legal compliance obligations.

Not sure about making the switch to an online system? Check out this [case study](#) on how one law firm moved from an old-fashioned, manual billing and time-tracking process to TimeSolv.

5. Offer flexible payment options

Catering to all your clients' needs ensures you can maximize each of their individual billing processes. Though online payments help streamline the billing process for clients, there are other ways your law firm can offer payment options.

Consider offering payment plans rather than having your clients pay all at once. This helps broaden your client scope and improves accessibility and retention while still meeting payment expectations.

Flexible payment options can include:

- **Fixed installments** made at regular intervals
- **Sliding scale** adjusted to the client's financial situation
- **Contingency fees** based on how each case turns out

Modifying the process for each client will create trust with your clients and accelerate payments.

6. Set automated reminders

Without a strategy to keep payments top-of-mind, even the most well-intentioned client can lose track of payment deadlines.

To remove this roadblock to timely payments, adopt a billing software with automated reminders that notifies clients of upcoming payments. This feature helps your client manage their obligations while the automated process reduces the administrative load on your end.

You can customize automated reminders based on certain criteria, such as due dates or low account balance, so you can meet the needs of your law firm as well as your clients.

7. Provide a secure client portal

Having a one-stop shop through a [secure client portal](#) will reduce the time it takes for payments and will create a clear line of communication with your clients.

A client portal offers benefits, including:

- **Transparency and accessibility** as clients can easily access their billing information at any time
- **Established trust** among your clients
- **Reduced disputes** with viewable invoices

With the ability to pay through the portal, this reduces the need for back-and-forth communication regarding payment status and reduces administrative tasks for your law firm. This overall streamlines the process and makes it convenient for your clients, leading to decreased payment timelines.

Accelerate your law firm's billing process with TimeSolv

TimeSolv streamlines your billing process while enhancing the experience for your clients to improve your law firm's cash flow.

[Start your free trial with TimeSolv](#) today and learn more about how it can help increase your profits and reduce the time you spend on billing.