Seven Ways to Get the Most Out of Time and Expense Reporting for Law Firms

As an attorney, providing competent legal representation and sound guidance throughout the course of your client's legal matters is one of many responsibilities you need to uphold.

One less talked about, yet equally significant, responsibility is that of maintaining accurate time and expense reports as outlined in the American Bar Association's Model Rules of Professional Conduct. Not only does accurate reporting help clients feel confident that you're managing their funds reasonably, it also benefits your firm.

When leveraged strategically, time and expense reports help you to know that you're making enough revenue to cover overheads each month. (Plus, so much more.)

Keeping thorough track of time and expenses is the only way to be prepared for—and remain profitable in—an ever-evolving legal landscape.

Seven ways to use time and expense reports in 2023

1. Improve client relationships

Legal services are a significant investment for many clients. When making a large deposit into a trust fund, your client is counting on you to manage their money in a way that meets their best interests.

And when a client has questions about the use of their money, detailed time and expense reports help you answer their questions efficiently and accurately.

2. Define better matter budgets (and stick to them)

With TimeSolv, your firm's time and expense trends are compiled over time—and accessible 24/7 with just a few clicks. When it's necessary to estimate the potential costs of legal matters, this real-world data is a goldmine.

Furthermore, real-time monitoring of attorneys' time and money contributes to better matter budget adherence. When every member of your team seems to struggle to stay within a particular matter budget, it could be time to expand it.

3. Set fairer fees

If it's difficult for you to strike the right billing balance, you're not alone. Many firms suffer from pricing problems. In part, this is due to a lack of accurate time and expense reporting. When you don't know how you're spending your time and resources, it can be tricky to determine just what to charge for them.

Overbilling is unethical, but underbilling limits your firm's growth potential. It's much easier to set competitive rates when you have a clear picture of all of the hours spent on every legal matter—both billable and non-billable.

4. Remove the guesswork from managing your legal team

Are there tasks that could be managed more efficiently by a more experienced member of the team? Are you seeing slowdowns in your entire legal workflow because a specific set of tasks is inefficient?

Time and expense reporting can give you the answers you need to set your team up for success.

Understanding your firm's collection, utilization, and actualization rates is crucial for evaluating and improving profits and performance. Timekeeper-specific reports are also useful for creating the opportunity to reward high performers. When your team senses they'll be praised for a job well done, they'll likely feel more motivated to improve their time management skills.

Finally, if you notice that a majority of your team is reporting an excessive amount of non-billable hours week after week, consider it a clear sign that it's time to grow your team to include another person to help with the workload.

5. Take advantage of tax-deductible business expenses

Tax savings are available to you on the state and federal levels, but are you taking full advantage of them? You can't report your business expenses during tax season if you're not tracking them. And if you're not reporting them, you can't receive a refund, either.

At tax time, expense reports can help to prove that you're eligible for reimbursement for:

- Office expenses (ink, stationary, envelopes, etc.)
- Utilities (electricity, Wi-Fi, etc.)
- Office space rent or mortgage payments
- Employee salaries
- Employee training
- Legal time and expense reporting software
- Banking fees
- Hardware (laptops, printers, routers, etc.)
- And more!

6. Achieve zero AR

The likelihood of a client paying is also higher if they feel that they have received high-value service.

You can reduce payment wait times and achieve zero AR by simply including time and expense data on your invoices. Alternatively, have it readily available for dissatisfied clients or auditors to see upon request.

7. Maximize profitability and scale your firm effectively

Your bottom line is directly affected by reporting all of your expenses and finding ways to cut costs. It's easier to identify which budget cuts will have the greatest impact when you know where your expenditures are highest.

In addition to boosting profitability, time reporting pinpoints inefficient workflows, which allows you to streamline non-billable tasks and maximize billable hours.

Increasing your bottom line allows you to invest more in your business and scale it over time. Time and expense reporting data can help you determine which practice areas to expand first and which types of cases earn the most money.

Take control of your time and money with TimeSolv

Our comprehensive time and expense tracking and reporting features are specifically designed to work the way you do. With 31 different reports and 10 different report formats available, gaining fresh insights into the profitability of your law firm has never been easier.

Using TimeSolv, your firm can track, budget, and analyze time and money trends more effectively on both the organizational and matter levels.

About TimeSolv

TimeSolv has provided growing law firms just like yours with robust legal software, including time and expense reporting, for over 20 years.

Our modern, easy-to-navigate interface has been ranked #1 for usability for legal billing software. TimeSolv has been recognized by the American Bar Association for offering the tools you need to stay compliant with current professional standards.

Get started with TimeSolv today to see how time and expense reporting can revolutionize the way you run, manage, and scale your firm.

Start your free trial now.