Why your law firm shouldn't use QuickBooks for LEDES billing

If your law practice thrives on criminal law, contracts, or domestic relations, this may not be the post for you. But if your bread and butter stems from a practice area that includes LEDES billing, this post may save you tons of time and frustration, particularly if you've been attempting to use QuickBooks for this complex task. While the program offers significant value for general office accounting needs, this post will explain why it is not the greatest option for generating LEDES invoices.

What is LEDES billing?

Depending on your practice area, you may have never heard of LEDES billing. LEDES is an acronym for "Legal Electronic Data Exchange Standard" and it's mostly used by attorneys in such practice areas as:

- Bodily injury
- Property damage
- Workers compensation
- Homeowners insurance disputes

The billing system is overseen by the LEDES Oversight Committee, an international non-profit made up of various representatives from the legal profession. According to its website, the organization is "charged with creating and maintaining open standard formats for the electronic exchange of billing and other information between corporations and law firms." They do this by utilizing "open standards which cater to no one organization or group of organizations to uniformly satisfy the complex needs of the legal industry." LEDES was created with the goal of meeting five basic principles:

- Keep it simple
- Make it unambiguous
- Minimal divergence from existing legal billing formats
- Only require information that a firm can provide from their financial system
- Meet the legal billing needs of law firms, corporations and the legal industry

LEDES billing generally involves a third-party clearinghouse, which is typically an insurance company. These clearinghouses may work with hundreds of law firms, but with LEDES billing, they are all required to utilize one specific billing format.

The system uses a text-based format, which means that it appears as a text file when completed. LEDES invoices also have no formatted columns, so it can be extremely confusing to read and comprehend for individuals who aren't used to reviewing them. In addition to being hard to read, LEDES billing statements are also tough to generate… especially if you have to do so manually. To create a LEDES invoice in QuickBooks, you must export the data and convert it to LEDES by manually creating the invoice or using additional software. While this may not cause a major inconvenience for one or two matters, firms that use LEDES billing tend to rely on it for the vast majority of their clients. So, having to manually format invoices would take a significant amount of time and waste plenty of valuable resources.

Your LEDES billing solution

TimeSolv time tracking and legal billing has the file option you need to effortlessly create LEDES invoices. This billing option has been auto formatted to the exact specifications of the LEDES billing system, so you can upload your client data and generate LEDES compliant invoices. The system even includes several other resources to assist you with LEDES billing. For example, TimeSolv can be programmed to automatically email you a copy of the billing statement – in the LEDES format, as well as a PDF version that's easier to read. Additionally, the company provides you with step by step instructions for creating LEDES invoices within their legal billing

software and even offers personalized training and assistance should you and your staff need it.

QuickBooks is useful for many accounting tasks, but LEDES billing is not one of them. Instead, you need a legal billing system that helps you generate LEDES invoices with accuracy and efficiency. Click here to learn all of the ways that TImeSolv helps you handle even your most complex legal invoicing needs.

About Erika Winston:

Erika Winston is a freelance writer with a passion for law. Through her business, The Legal Writing Studio, she helps legal professionals deliver effective written messages. Erika is a regular contributor to TimeSolv and a variety of other publications.