

# TIME AND EXPENSE REPORTING FOR LAW FIRMS



If you're an attorney, you have many responsibilities to your clients—providing competent legal representation and compassionate guidance throughout their case takes up the majority of your time.

But another responsibility, less talked about but equally important, is the responsibility to provide **accurate time and expense reporting**. This is just as vital to your firm as to your clients: tracking your time helps ensure that you're covering your overheads each month and guarantees the profitability of your firm.



## Why track time and expenses?

Accurate time tracking and expense reporting help you keep your firm on track with budgeting and key performance indicators while keeping you compliant. It helps you understand your expenses, and whether you're charging the correct amount for services provided.

### STAY COMPLIANT

Time and expense tracking aren't just helpful for budget, though. It's an ethical responsibility for attorneys. Under the American Bar Association's [Model Rules of Professional Conduct](#), as well as the state Bar codes that all attorneys must abide by, there's a duty to accurately report time and expenses for all clients. Failure to do so can lead to serious consequences including disbarment.

However, keeping track of billable hours and accurately reporting expenses for your attorneys and support staff can be a burdensome task that complicates your law firm's day-to-day operations.

With so many hours and expenses that need to be tracked, it's easy to make an error and expose yourself and your firm to liability. Overbilling your clients can also lead to auditing headaches and long-term damage to your professional reputation, while underbilling can put the long-term profitability of the firm at risk.



## The basics of time and expense reporting

Tracking your time and expenses can be the difference between a law firm that struggles to cover its overheads and one that stays profitable. The following reports will help you better understand your law firm's financial position and make the right decisions to achieve and sustain profitability.

### TIME ENTRY AND TIME SUMMARY

Get an overview of your law firm's billable hours with these two essential reports.

- A **basic time entry report** will give you a list of time entries grouped by client and matter
- A **time summary report** will break down weekly and monthly time entry totals by client, matter, and team member

Each of these reports helps you analyze how time is spent on matters and on clients, and where time isn't being correctly budgeted for matters.

### MISSING TIME

If your timekeepers' productivity isn't hitting the mark, a missing time report can show you where your hours are going missing. Missing time reports can be run by day or week, and while no one wants to feel micromanaged, keeping an eye on this metric can foster a culture of accountability.



## BILLABLE VS. NON-BILLABLE HOURS

Maximizing billable hours is the goal for most attorneys, but with the administrative workload that goes into practicing law, all attorneys spend at least some time of their days on non-billable work. If attorneys don't strike the right balance, it can significantly impact your legal practice's profitability.

Regular reporting on your attorneys' billable and non-billable hours can keep your finger on the pulse of how their time is being used and help you adjust accordingly.

## TIME BUDGET

When you offer fixed fee or alternative fee arrangements, you estimate how long it takes to complete a particular matter for a client. Staying at or under that time allows you to be profitable—but if your time starts creeping up, your profit margin may start trending downward.

Running time budget reports helps you compare how hours worked line up with the time you've budgeted for a matter. With this information, your services, time spent, and fees are all accurately determined and fairly represented.

## EXPENSE ENTRIES

Accurate expense tracking plays an important role in your firm's profitability.

Your firm can use expense entry reports to sort expense entries by client and matter, giving you an overview of matter-related expenses, setting more appropriate rates for your services, and identifying expenses that have gone untracked (and unbilled).



# Features to look for in your time and expense tracking tool

Managing time and expense reporting doesn't have to be a dreaded task. At least, if you're using tools with functions designed specifically for the work lawyers do.

## FLEXIBLE TIME TRACKING

Your time tracker's job is to, well, track time. And while time tracking can be as simple as a stopwatch, we know that's not going to cover all of your firm's needs. Attorneys need time tracking tools that allow them to track their time now, but also:

- Log time later
- Record from calendar entries
- Categorize time by type of hours
- Sync from a desktop app if your browser goes offline
- Keep track of time budgets

## RECORD TIME AND EXPENSES ANYWHERE

Lawyers don't just work out of offices these days. They work from courthouses, coffee shops, and even at home on their couches.

The ability to track time and expenses from anywhere is a necessary function for your time and expense tracking software. You should be able to:

- Track time from any device
- Track time while offline
- Offer syncing options for working without your browser open or while offline
- Easily upload and attach receipts for expense tracking



## INTEGRATES WITH THE LEGAL SOFTWARE YOU ALREADY USE

Most law firms rely on multiple tools and software to operate their practice. If your time tracking software doesn't speak to these tools, it can create significant workflow issues. Look for a time tracking solution that integrates with your:

- Legal accounting software
- Online payment processing tools
- Document storage platforms
- Email platform
- Schedule and calendar
- Marketing automation software

## ROBUST REPORTING CAPABILITIES

Reports are fuel for making good business decisions, providing better client service, and running an efficient legal practice. Your firm can benefit from running reports such as:

- **Time entries:** provides a list of billable hours grouped by client name and matter number
- **Time entry summaries:** gives weekly and monthly time entry summaries
- **Expense entries:** compilation sortable by client and matter number
- **Missing time reports:** shows you where time is missing by day or personnel
- **Time and expense entries:** a comprehensive look at both your expenses and billable hours
- **Task summary:** sorts by task code and team member

Your time and expense reports are some of the most important reports you can run, so it's vital to use a tool that makes reporting user-friendly.



# How TimeSolv Can Help

TimeSolv is a time tracking and billing software specifically designed to help firms take the guesswork out of budgeting.

We offer law firms a range of powerful [budgeting tools](#), including:

- Accurate [matter cost estimates](#)
- Profitable [fixed fee calculations](#)
- Effortless [time](#), [expense](#), and [payment](#) tracking
- In-depth [budget reports](#)
- A [robust integration](#) with QuickBooks accounting software

To see for yourself how TimeSolv can help your firm grow through effective budgeting, [contact us](#) today or [sign up for a free trial](#).

TimeSolv offers robust billing and time tracking tools designed specifically for legal practices, as well as budgeting functions that keep your firm on track. We've offered firms a comprehensive solution to time and expense reporting for over two decades and are ranked the #1 legal billing software for usability. Recognized by the American Bar Association, we keep your firm compliant with professional standards.

