# A Guide to Time Tracking for First-Year Associates



While many fresh law school graduates come out with a wealth of skills, administrative skills may not be one of them. Time tracking for first-year associates is typically learned from other lawyers or internet searches. While leaning on experienced legal professionals is a great way to gather knowledge and learn quickly, you may find more manual ways of time tracking that aren't as effective as <u>legal time tracking software</u>.

Spreadsheets, quick notes, or tracking your time at the end of the month from memory <u>are not ideal for keeping accurate records</u>. In addition to missing out on time you could bill, you may overbill a client, lose sensitive information, make a detrimental error, cost your firm money, or <u>damage your reputation</u>.

To combat this, first-years should also learn how to use legal time tracking software, as it can help with accuracy and transparency throughout the billing process. There are many different obstacles in place when it comes to time tracking, and learning these as a first year associate can be difficult, so let's go over billable hours best practice and how legal time tracking software can help.

### What Are Billable Hours?

Billable hours are time spent working on professional tasks that can be charged to the client for the agreed hourly rate. Lawyers aren't unique in billable hours — consultants, writers, developers, graphic designers, and other professionals bill by the hour. You need to keep accurate records of how long you spent on each client's task in order to charge billable hours. If your records aren't precise and well organized, you could undercharge or overcharge.

Make sure you understand a firm's billable hours expectation before signing on. Anything over 1,800 billable hours annually will likely be more than 40 hours a week total, with non-billable hours added in. Working more than 50 hours a week has an <u>impact on mental health</u>. Keep this in mind when accepting a job offer.

### **How To Identify Billable and Non-Billable Time**

Billable time includes time working on tasks that are directly related to the work for your client. This may vary according to the specifics of the case, but it could include:

- Direct work to complete the project
- Time spent strategizing or planning
- Time spent researching
- Corresponding with the client, whether on the phone, through email, or in person
- Attending meetings

Non-billable time is time that you're doing work, but not directly for the client. This may include:

- Developing professional skills
- Social and team-building events or exercises
- Networking events
- Time spent correcting your errors
- Invoicing, processing payments, or other administrative work
- Time spent performing work outside of the scope of your client agreement

Sometimes, determining what's billable and not can be more complicated. Here's how you can evaluate if you can charge for your time?

Was my time used for my own professional needs or the client's needs?

- Was this work necessary to complete the project?
- Was this task included in the client agreement?
- Was my time spent related to the project or a result of an avoidable mistake on my part?

### First-Year Associate Time Tracking Tips

#### 1. Determine your invoicing schedule

Depending on the requirements of your firm, you may be able to set your own invoicing schedule. Many firms use a monthly billing cycle and bill on the same day each month, but you may be able to set weekly, biweekly, or end-of-project billing cycles.

#### 2. Use digital tools to track time

Many lawyers are "old-school" and prefer manual time logs, but that's not the most efficient or accurate way to track your time. Legal time tracking software and practice management software not only offer time tracking functions, but cut down on the time you spend manually filling out logs, client details, task details, and invoicing. The software also retains all your important client data in a secure, centralized location, so you can access it quickly and easily, no matter where you are.

#### 3. Create time logs

Whether you choose a software solution or go manual, you need to create a time log to track your billable hours by the client. With a spreadsheet, this means creating columns for the clients, the tasks, the date, the time spent working — all of which cuts into your free or billable time.

With a cloud-based time tracking solution, you have an efficient time tracking feature with a digital timer and a list of clients. When you start a task, all you have to do is start the timer and it does the time tracking for you.

#### 4. Include details on your invoice

Time tracking software should make your billable hours easy to track, calculate, and <u>report</u> according to the client and the project, which you can access easily. All of this information will go on the invoice, such as:

- Business and contact information, such as the firm name and address, your phone number, and your email address.
- Your client's contact information
- An itemized list of tasks or services complete within this time frame
- Billable hours for each task or service
- Payment terms
- A deadline for payment
- The total amount due, including any taxes or fees

Including all this information can be tedious and time-consuming. A digital timekeeping solution allows you to customize and generate invoices with detailed billing information quickly and easily. You can also create and edit batch invoices, and clients can review and pay invoices online 24/7.

### **How to Manage Non-Billable Time**

It's common for first-year associates to have goals or targets for the billable hours they want to have. Whether the goal is weekly, monthly, or yearly, if you're not tracking your time, you may not realize you're too far behind to catch up until it's too late.

For example, if you want to reach a goal of 2,000 hours annually (with both billable and non-billable time), you would need to track roughly 40 hours each week, or eight hours a day. You may not work exactly eight hours each day, but this breaks down what you should average in a day, week, and month to reach your annual total hours goal.

If you don't track your time, you tally up your billable hours for the quarter or at six months and realize your goal is now impossible. You didn't reach your billable hours in the past few months, so now it's unlikely you'll have the time or work to reach those 2,000 hours.

Time tracking for first-year associates (and any lawyer) is the best way to make sure you stay on track with your goal. Here are some tips:

- 1. Track all of your billable time, even if it's just a few minutes on a client call or drafting an email. It adds up.
- 2. Track everything in real time, rather than backtracking and hoping you have the time you started and ended a project correct.
- 3. Record your non-billable time. You won't make money on it, but you can identify areas where you could be more efficient or tasks that you may be

- able to outsource.
- 4. Don't procrastinate! It can be easy to do, especially if you get side-tracked with social media or other distractions. Keep your work time focused and save the idle time for when you've reached your billable goal for the day.

## **Time Tracking for First-Year Legal Associates**

Time tracking can be challenging for any attorney — both digitally inclined and those not as tech-savvy. Without the right foundation, time tracking can be time-consuming and inaccurate, leading to losses in productivity and revenue.

Bill4Time's legal time tracking software captures lost revenue by tracking time anywhere, anytime, streamlining invoicing, and keeping accurate project logs.

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