

# Beginner's Guide to Minimum Billing Increments for Transparent Legal Invoicing



Legal invoicing is one of the most important elements of a law firm, especially when it comes to revenue and client transparency. However, implementing and maintaining a structured billing process at law firms is more than worth the set up efforts.

The regular hour, half hour, and 15-minute increments are standard. But what about something that takes less time, but does need to be recorded and billed? We've gathered tips and best practices for minimum billing increments that will make you, your firm, and your clients happy.

## Why Minimum Legal Billing Increments are Vital to Law Firms

There are many financial and [ethical considerations](#) when it comes to billing. Let's create a scenario where minimum billing increments would be vital and save a lot

of time for a law firm.

You're working with a junior associate on a client's matter and they're doing great work, but you're noticing they're not as productive as they should be. Their timesheets don't seem to reflect what you're seeing at the firm.

When you take a look at the invoices, you discover this junior associate isn't recording all of their time, and is frequently underbilling clients.

The other lawyers in this firm follow an unwritten rule. Very small increments of time remain unbilled and there is no set process or protocol. This junior associate has no idea whether:

- This time remains permanently unbilled
- Should be bundled or combined with other tasks
- Or, wait until the small increments add up to 0.25

What if your junior associate spends 18 min on the phone with a client? Do they underbill and record their hours at 0.25 or record their hours at 0.5 and end up overbilling?

Having no set invoicing process leaves billing up to interpretation. This can lead to a loss of revenue, a messy and confusing invoice sent to the client, and potentially legal action if the client feels strongly enough to pursue.

Working with minimum billing increments can be a simple, straightforward process. One that's easy for staff to understand and follow easily.

## How to Implement Minimum Legal Billing Increments

Difficulty isn't a requirement for legal billing and invoicing. The standard minimum increments used by most firms are as follows.

- **1/10** of an hour (**6 min**)
- **1/6** of an hour (**10 min**)
- **1/4** of an hour (**15 min**)

These billing increments are small but mighty, and can save your firm time and money by providing more detailed descriptions and time entries for billing purposes. It's important to take a reasonable and balanced approach.

Unfortunately, yes, there are still law firms out there that bill in half-hour or one hour increments. Don't let your firm follow suit! Choose the billing increment that's acceptable for your clients, state and locale.

## Create Guidelines for Legal Billing Increments

Outline the rules required with billing increments at your law firm. Make sure to have processes in place for guidelines on what happens if you go just over or under the minimum billing increment. Document the appropriate response associates should take in your firm. Do this ahead of time, providing attorneys with examples and use cases they can reference.

When you come across an unexpected scenario, figure out the best way to proceed and document it for future reference.

## Banish Unsavory Legal Billing Practices

Have you seen something like this before?

*Client meetings, reviewed client documents, draft pleadings (13.7 hours)*

Block billing like the example above amplifies client unease, creating distrust. It introduces a significant amount of questions. How long was the meeting? How many meetings occurred? Which documents were reviewed? How long did that take?

The vast majority of clients who are billed on an hourly basis are "blocked billed." Banishing billing practices like the one mentioned above can help foster client trust and strengthen client-attorney relationships.

## Use Detailed Descriptions and Distinct Billing Increments

Give your clients specific details that are relevant to each of the line items in your invoice. As an alternative, you could provide descriptions that are specific, yet distinct.

*In-person meeting with client to discuss their civil matter (1.5 hours)*

*Drafted pleadings for foreclosure case (5.7 hours)*

Don't feel like you have to write an essay, but do your best to explain. You're looking to give clients a complete, yet concise picture of the particular task or line items in question — no more, no less.

Do it in a way that frames the discussion appropriately; you're providing them with an explanation of the items on their bill. Put yourself in their shoes. Would the descriptions on your bill motivate you to pay it? Make sure to keep in mind their understanding of legal jargon and add more general language if needed.

## Maintain the Set Guidelines From the Firm

If your clients have compliance requirements, do your best to follow them. Verify that timekeeping tools encourage compliance with the appropriate regulatory bodies.

*In short, learn and follow the rules.*

Justify each time entry. Be wary of uniform policies regarding standard or minor tasks (e.g. answering emails, returning phone calls).

Whether you're working on contingency, fixed fee or using billing increments to bill hourly, it's important to track your time carefully. Be prepared in any and all cases to justify your work.

## Legal Billing Increments Made Easy

While accurate legal billing increments are a great way to increase the accuracy of client invoicing, they aren't the star of the show here. Billing transparency for law firms and their clients is the main takeaway. Maintaining clear and simple billing procedures make the invoicing easy for everyone.

The rules, expectations, and details around working with billing increments are open to interpretation. Your firm may bill in increments of 1/10, 1/6 or 1/4 of an hour. This matters, but it's not as important as the details surrounding these increments.

Make the rules clear by identifying the do's and don'ts of your local jurisdiction. Document unwritten rules carefully and make these details available to staff in your firm.

Lawyers should communicate fees, scope, and expenses in writing, according to [Model Rule 1.5, Paragraph \(b\) in the American Bar Association's Ethics 2000 Commission](#). Give clients details on the who, what, and why of each billing description.

Show clients how your firm works with billing increments, and outline why these billing increments are in their best interest. Provide the clarity and direction your employees and clients need and you'll dramatically reduce billing and invoicing disputes.

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