Why Do Lawyers Track Their Time?



Time tracking for lawyers translates hard work into measurable outcomes. It supports the foundation of fair exchange between client investment and legal advocacy. This accountability strengthens the client-lawyer relationship with trust and transparency.

Many lawyers use <u>legal time tracking software</u> to enhance efficiency and accuracy in their timekeeping practices. Such software paves the way for better cash flow and clear invoices by ensuring clients understand the direct correlation between the services provided and the charges incurred.

Continue reading to learn more about the critical role of timekeeping in the legal profession, along with <u>billable hours best practices</u> and real-world examples that can help you develop better billing methods.

Why Is Time Keeping Important in Law?

Accurate time tracking is arguably one of the most important aspects of a lawyer's success. Lawyers must meticulously account for their time to bolster client trust, which is vital to a positive attorney-client relationship, as well as the likelihood of positive referrals and firm reputation.

Transparent documentation of billable hours instills confidence and fosters a sense of accountability, showing your commitment to fair and justified billing practices.

Aside from client relationships, proper time tracking serves as a shield against potential legal repercussions. Inadequate documentation may expose lawyers to legal cases or actions, emphasizing the importance of maintaining comprehensive records.

Courts and regulatory bodies <u>scrutinize timekeeping practices</u>, and any discrepancies can lead to misconduct allegations and other ramifications. Precise time tracking not only protects against these risks but underscores the ethical foundation of legal practice.



How Do You Write a Legal Billing Entry?

Details and clarity are both key to writing a transparent legal billing entry that (a) demonstrates the value of what you did for the client and (b) makes it easy for that client to pay you for your services. Additionally, keep in mind these tips:

1. Include Clear and Detailed Descriptions

Writing a legal billing entry with clear, detailed descriptions ensures clients understand the value of the services they're paying for. This means avoiding vague terms and specifying the work's exact nature, such as "Drafting client-specific contract clauses regarding IP rights" rather than a broad "Contract work." This specificity enhances transparency and reinforces the client's confidence in

your firm's thoroughness and dedication to their case.

Additionally, correctly implementing standard <u>law firm billing increments</u> plays a crucial role here. By aligning detailed descriptions with precise billing increments, you provide a granular view of how time is allocated to different tasks

2. Have a Task Breakdown and Time Allocation

Avoid block billing at all costs. For example, instead of "Developed case strategy (2 hours)," break this down into what you did for those two hours, like "Completed case research surrounding grandparents rights in custody cases (1.2 hours); prepared research notes for meeting with clients (.1 hours); office meeting with clients to discuss the status of the case, relevant case law, upcoming motion hearing, and strategy for same (0.7 hours)."

When breaking down your time, tools like a free <u>billable hours calculator</u> or a <u>billable hours chart</u> can come in handy. However, using a method like this with a law firm billable hours calculator doesn't exactly promote accuracy in billing. Instead, law firm time tracking software ensures higher accuracy and less time spent with automated timers, calculations, invoice generation, and more.

3. Don't Forget to Track Expenses and Disbursements

Detailing out-of-pocket expenses with clear explanations, such as "Court filing fees for case #12345 – \$200," helps clients understand all aspects of their bills. This level of detail assures clients that there are no hidden costs and that every charge has been incurred in the interest of their case.

4. Provide Real-Time Updates and Online Portals

Offering real-time updates and access to a <u>client tracking portal</u> where clients can view their billing and case progress at any time marks a significant leap towards transparency. This feature allows clients to monitor the developments in their cases and the corresponding billing entries as they happen. It eliminates surprises in billing and empowers clients with the information they need to feel secure and informed about the legal services they receive.

5. Establish Regular Communication and a Client Approval Routine

Maintaining regular communication and establishing a routine for client approval of billing entries before they're finalized can significantly increase client satisfaction. This practice ensures that clients are always in the loop and agree with the billing details, providing an opportunity to address any questions or concerns promptly.

How Are Billable Hours Tracked? Best Practices for Attorneys

Billable hours are tracked through diligent documentation of legal work, where legal time tracking software plays a crucial role in offering accuracy and ease of use. This method is quickly becoming the gold standard in the legal field.

Such software offers features tailored to the needs of legal professionals. Their adoption reflects an acknowledgment of the need for meticulous record-keeping in a profession where time is often directly tied to revenue. In addition to using this software, attorneys can also implement these best practices to ensure optimal billable hours tracking:

- **Use Timers**: Take advantage of software timers to record tasks in real-time, ensuring every minute is accounted for.
- Detail Matters: Provide comprehensive descriptions of tasks. This process aids in billing and serves as a record for client inquiries and possible malpractice claims.
- **Regular Reviews**: Set aside time weekly to review and adjust time entries. This habit prevents end-of-month rushes and potential errors.
- **Educate Your Team**: Ensure everyone involved in billing understands the importance of accurate time tracking and knows how to use available tools effectively.
- **Use a Mobile App**: A <u>mobile billing app</u> can be quite handy for on-the-go timekeeping and capturing every minute spent on client-related activities.
- Leverage New Technology Features: Stay informed about updates to your tracking software and incorporate new features that can improve your practice.

Incorporating these practices into daily routines enhances the reliability of billing processes, fostering trust between attorneys and their clients. By harnessing the capabilities of modern software and adhering to disciplined record-keeping, legal professionals can focus more on delivering quality service rather than on administrative tasks.



What Are Examples of Non-billable Hours That Add Value to Your Practice?

Though you may think of billable hours as the main value driver for your practice, your non-billable hours matter just as much. Here's how non-billable hours add value:

Client Development and Relationship Building

Investing non-billable hours in nurturing client relationships and attracting new clients is crucial for long-term success. While these efforts don't translate into immediate revenue, they contribute to your referrals and practice growth by building a strong client base.

Pro Bono Work and Community Involvement

Engaging in pro bono work and community involvement — though not billable — is an important part of your firm's social responsibility. These hours contribute to the well-being of society and enhance your firm's reputation, thereby attracting clients who value your commitment to equitable legal services.

Professional Development

The time you dedicate to professional development, including continuing legal education, is an investment in your expertise, and by extension, your practice. Staying updated on industry trends and expanding your capabilities not only

improves your legal practice but adds to your credibility in the industry.

Firm Administration and Management

Time spent on non-billable tasks such as firm administration and management strategies is an investment in long-term efficiency and profitability. Streamlining operations and planning for growth, even if not directly billable, contributes to the overall success and sustainability of your practice.

Advanced legal software can also be helpful in this area, as it allows you to track time and examine your firm's analytics. For example, Bill4Time offers comprehensive law firm reporting capabilities, so you can drill down into the details that matter most to your practice.

Mentoring and Training

Non-billable hours spent mentoring junior associates or engaging in training sessions contribute to developing a stronger legal team within a firm. This investment in human capital enhances your firm's capabilities and builds a positive reputation as a mentor.

Keep Better Records With Legal Time Tracking Software

In an environment where every minute counts, sticky notes and a billable hours calculator aren't going to cut it anymore. Legal time tracking software now stands as a critical component for lawyers aiming to optimize their practice.

Bill4Time emerges as a premium solution in this category, providing a full suite of features tailored for the legal profession. From tracking billable hours with precision to generating detailed invoices that clients can easily understand, Bill4Time addresses the unique challenges lawyers face daily.

To experience firsthand how Bill4Time can help your practice grow, we invite you to try a <u>free trial</u>. This is your opportunity to see how seamlessly and effectively you can manage your billable hours, improve billing accuracy, and strengthen client relationships — all while supporting your practice's growth and success.