



**Vermont Bar Association**  
**2018 Tech Show Seminar Materials**

**Using Technology to Overcome Common  
Billing and Accounting Pitfalls**

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**DoubleTree (formerly Sheraton)**  
**S. Burlington, VT**

**Speakers:**

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# Using Technology to Overcome Common Billing & Accounting Pitfalls

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[www.cosmolex.com](http://www.cosmolex.com)

# Agenda

- What is Legal Accounting?
- 5 Legal Billing & Accounting Pitfalls
- How Can Technology Help?



# Legal Accounting Components

- Business Accounting
- Matter Cost / Income Accounting
- Fee Advances / Retainers Accounting



# Pitfall #1

Not Using  
Matter-Centric  
Recordkeeping



# Five Pillars of Practice Mgmt.

- Legal Time & Billing
- Business Accounting
- Documents & Emails
- Calendar & Tasks
- Trust Accounting



# Important Matter Balances

- Unpaid Amounts
- Unbilled Amounts
- Client Funds



# Pitfall #2

Poor Handling  
Client Funds





# Funds in Trust

- Settlement funds
  - Personal Injury, Real Estate Settlements...
- Unearned Income
  - Fee & Cost Advances
  - Retainers
- Third-Party funds

# Funds NOT in Trust

- Personal Funds
- Earned Income
- Payroll/Business Funds
- Where You Are Not Fiduciary Trustee

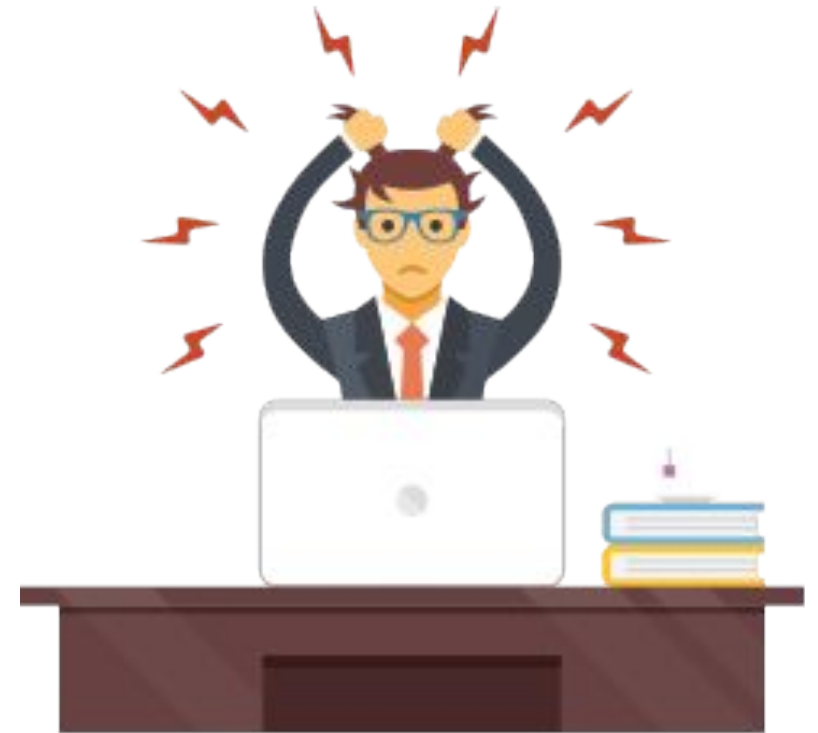
# Trust Accounting Is Easy

- No Profit or Loss
- No Depreciation or Amortization
- No Interest Accumulation
- No Tax Accounting
- No Account Management Fees/Bank Fees



# Trust Accounting Is Hard

- You MUST track funds for each matter.
- You MUST reconcile books monthly.
- You MUST maintain audit trail





# Pitfall #3

Unrecorded  
Charges



# Time Tracking

- Completed yet unbilled events & tasks
- Outside the office legal services
- Frequent office disruptions



# Expense Tracking

- Expenses are paid in variety of ways.
- Expenses not allocated to matters.



# Pitfall #4

## Inefficient Billing & Collection Process





# Efficient Collection

- Timely Billing
- Detailed, Professional Bills
- Multiple Payment Options
- Periodic collection notices
- Track retainer balances
- Periodic retainer replenishment notices
- Track unbilled amounts



# Pitfall #5

## Isolated Billing & Accounting

Billing World

Accounting World

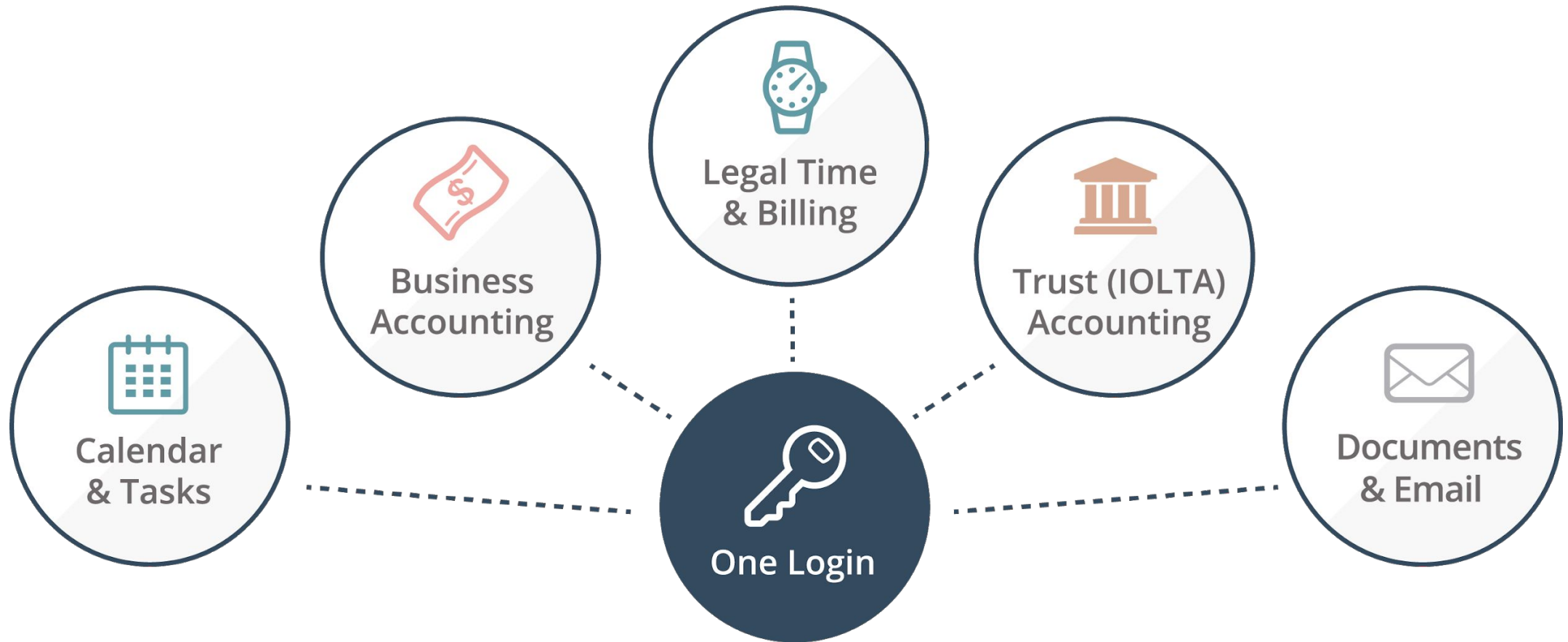


# Consequences of Isolated Systems

- Customization for Legal Accounting
- Double data entry
- Handling Client Funds
- Client costs recovery
- Allocate revenue receipts
- Tracking income by class



# RUN YOUR ENTIRE PRACTICE ON COSMOLEX





# Questions/Comments

Thank you for joining us!

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