The following reading is intended to put the time keeping requirements for this course in the context of the actual practices of law firms. Although this textbook is primarily written for paralegals, it provides a useful overview.
ELEMENTS OF TIMEKEEPING

Time sheets require eight pieces of information:

◆ Name of timekeeper
◆ Date
◆ File name
◆ Client number
◆ File number
◆ Amount of time expended, in tenths of an hour
◆ Description of work performed
◆ Name or initials of responsible attorney

Firms may require three additional pieces of information:

◆ Department code
◆ Task-based code numbers, if applicable
◆ Type-of-case code number

These entries will ensure that the appropriate client is billed for the time spent on the file and that management is supplied with appropriate information for its reports. An example of a time sheet is shown in Exhibit 7.14.
The date on a time sheet is used to inform a client of the date a service was rendered and also to inform management of the timekeeper’s performance for that day. The client’s number, file name, and file number are essential so that the correct client and case are billed, especially if a client has multiple cases with an office. Firms also require legal assistants to insert the name or initials of their supervising attorney. This information is used in the event a discrepancy occurs as to the legal assistant’s assignment for a client. The description area is used to inform a client and management of the work performed. The amount of time spent on a matter is documented in the time area in tenths of an hour.

It is important to be as clear as possible when describing work, even if it takes more time. This information is entered on a client’s bill so that the client will know what work was done and the cost of that work. Billing disputes are as likely to be caused by a client’s irritation at the way time is described as by the amount of time spent. For example, a client may resist paying $250 for a legal assistant’s time spent “in conference with attorney” but would probably not resist paying for “planning trial strategy.” Exhibit 7.15 gives examples of ineffective and effective descriptions.

**Coding**

To expedite the timekeeping process, law firms have developed codes for each function. A computer is programmed to pick up these codes and transform them into their proper meaning. Each firm develops its own coding system. An example of the types of codes used is shown in Exhibit 7.16.

Notice the column marked “Type” on the time sheet in Exhibit 7.14. This column is used for the type of case. Each type of case is given a specific number, and a computer is programmed to convert the numbers into the specific type of case. Exhibit 7.17 is an example of this type of coding.
### INEFFECTIVE vs. EFFECTIVE

<table>
<thead>
<tr>
<th>INEFFECTIVE</th>
<th>EFFECTIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work on case</td>
<td>Draft answers to third set of interrogatories</td>
</tr>
<tr>
<td>Review of file</td>
<td>Review first and second set of answers to interrogatories for inconsistencies</td>
</tr>
<tr>
<td>Conference with attorney</td>
<td>Conference with attorney re client’s deposition</td>
</tr>
<tr>
<td>Telephone call to counsel</td>
<td>Telephone call to counsel re setting deposition date</td>
</tr>
</tbody>
</table>

### EXHIBIT 7.15  Descriptive Entries are Important

<table>
<thead>
<tr>
<th>C/W</th>
<th>Conference with</th>
</tr>
</thead>
<tbody>
<tr>
<td>CT</td>
<td>Court trial</td>
</tr>
<tr>
<td>CH</td>
<td>Court hearing</td>
</tr>
<tr>
<td>D1</td>
<td>Draft of pleadings</td>
</tr>
<tr>
<td>D2</td>
<td>Draft of correspondence</td>
</tr>
<tr>
<td>D3</td>
<td>Draft of memorandum</td>
</tr>
<tr>
<td>D4</td>
<td>Draft of other</td>
</tr>
<tr>
<td>DP</td>
<td>Deposition</td>
</tr>
<tr>
<td>N/C</td>
<td>Nonchargeable</td>
</tr>
<tr>
<td>P</td>
<td>Preparation of</td>
</tr>
<tr>
<td>R</td>
<td>Research of</td>
</tr>
<tr>
<td>R1</td>
<td>Review of pleadings</td>
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<tr>
<td>R2</td>
<td>Review of correspondence</td>
</tr>
<tr>
<td>R3</td>
<td>Review of memorandum</td>
</tr>
<tr>
<td>R4</td>
<td>Review of other</td>
</tr>
<tr>
<td>RV</td>
<td>Revision of</td>
</tr>
<tr>
<td>TC</td>
<td>Telephone conversation with</td>
</tr>
</tbody>
</table>

### EXHIBIT 7.16  Work Description Codes

**Contingency Fee Law Firms**

Time records are also important for law offices that do not bill clients by the hour. A firm working on personal injury cases on a contingency fee basis receives a percentage of the settlement at the end of a case. It needs time records to monitor the profitability of a case and monitor work in progress.

In addition, contingency attorneys are occasionally called on to produce time records. For example, if an attorney is terminated by a client, the attorney wants to get paid for work done to termination. If the case is a contingency case, the attorney is not paid until it is completed. The attorney may file a lien against the case, and to prepare the lien accurately, time records are essential. In court cases in which a former attorney has sued to recover a portion of a contingency fee, judges have requested time records to rule on the amount of the fee. Without these records, judges have difficulty evaluating the value of a former attorney’s services to a client.

Time records are also valuable in fee disputes and other client complaints. They document an attorney’s work on a case to disprove allegations of client abandonment or improper representation.

Another benefit of time records in contingency cases is in determining a case’s settlement value. By keeping time records, attorneys are aware of the value of the time spent on a case. By comparing the time value multiplied by the timekeeper’s hourly rates against settlement offers, an attorney can determine whether a settlement should be pursued. Exhibit 7.13 shows how profitability on a contingency case is calculated. It makes little economic sense to spend more time on a matter than the matter is worth. Through time records, contingency cases can be monitored to keep track of their value.
<table>
<thead>
<tr>
<th>Category</th>
<th>Code</th>
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<tbody>
<tr>
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<td>General</td>
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<td>Tort</td>
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<tr>
<td>Felony</td>
<td>132</td>
</tr>
<tr>
<td>Driving while intoxicated (DWI)</td>
<td>133</td>
</tr>
<tr>
<td>Estate Planning</td>
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<tr>
<td>General</td>
<td>140</td>
</tr>
<tr>
<td>Will</td>
<td>141</td>
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<tr>
<td>Trust</td>
<td>142</td>
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<tr>
<td>Probate</td>
<td>143</td>
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<tr>
<td>Litigation</td>
<td>144</td>
</tr>
<tr>
<td>Administration</td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>150</td>
</tr>
<tr>
<td>Attendance at meetings</td>
<td>151</td>
</tr>
<tr>
<td>Review of law firm correspondence</td>
<td>152</td>
</tr>
<tr>
<td>Continuing education</td>
<td>153</td>
</tr>
<tr>
<td>Law firm organization</td>
<td>154</td>
</tr>
<tr>
<td>Interviewing</td>
<td>155</td>
</tr>
<tr>
<td>Client development</td>
<td>156</td>
</tr>
</tbody>
</table>

**EXHIBIT 7.17  Type-of-Case Codes**

**Corporate Legal Departments**

Some corporate legal departments do not require time records from their attorneys and legal assistants because the departments do not prepare billing statements. However, these legal departments are finding that their management reports are not as comprehensive as those from legal departments that require time records from their employees. Therefore, many corporate legal departments require their attorneys and legal assistants to keep time records.

A corporate legal department services many departments of a corporation: finance, marketing, and sales. In addition, it may service subsidiaries of the corporation. These departments and subsidiaries are considered the legal department's clients.

Some corporate law departments bill each "client" for services rendered and are paid from that "client's" operating budget. Furthermore, documenting the time spent for each department or subsidiary gives management valuable information. When a legal department prepares its budget, time records are a valuable tool to justify additional staff or funding.
Corporate legal departments may be entitled to court-awarded legal fees if they prevail in litigation in addition to their outside counsel. A Delaware district court awarded Scott Paper Company in-house corporate counsel fees in a patent infringement case against Moore Business Forms (594 F. Supp. 1051 [D.Del 1984]). Scott's time records were evaluated when determining the fee award. Therefore, time records are essential to justify court-awarded legal fees.

**Government Legal Offices**

Timekeeping activities in government legal offices are becoming more common. In 1975, the California legislature mandated that the Attorney General begin billing legal services by individual case or project, therefore requiring a sophisticated timekeeping system.

Time records for government agencies are valuable tools when preparing budget proposals and management records. Management reports for a government office are usually very detailed to provide the government with statistics. In addition, lawyers employed by the U.S. government use timekeeping records for performance appraisals.

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**TIMEKEEPING SYSTEMS**

Timekeepers have various methods of keeping track of time. Some track their time manually, and some use a computer or other devices. Manual time records are ultimately entered into a computer for billing and management reports. Each firm must examine the alternatives and select the appropriate system for its needs.

**Manual Systems**

Although manual systems may be obsolete, familiarity with them provides a general understanding of the essential elements of timekeeping. Additionally, many timekeepers keep their time records manually and then input them into the computer at the end of the day. This procedure may seem like preparing time sheets twice, but it ensures that the information put into the firm's computer system is accurate and complete. Furthermore, if a computer is not available because of a power failure or other reason, the timekeeper can keep time sheets up-to-date so that valuable time is not lost.

A time sheet is a permanent fixture of a timekeeper's desk. A time sheet can take the form of the one shown in Exhibit 7.14, or it may be like the diary shown in Exhibit 7.18. Entries are inserted on the time sheet daily or as a project is finished. In no case should a timekeeper delay completing the time sheet, as delay causes information to be lost, resulting in lost revenue for the firm. If a legal assistant who bills time at $75 an hour missed just one minimum-charge telephone call a day, the firm would lose $3,540 a year. Time sheets should be completed daily and, preferably, many times during the day. Timekeepers should never leave the office for the day without completing their time sheets. Legal consultants indicate that firms that require their timekeepers to keep an accurate accounting of their time make 15 to 30 percent more than those who do not.

It is recommended that timekeepers keep two types of time sheets: one for creditable projects and another for noncreditable projects. Legal assistants who keep track of noncreditable time are better able to manage time because they can see where their time is going. This allows the timekeeper to see whether she or he is spending more than 5 percent of the day on noncreditable activities.

When completing time sheets, include billable and nonbillable creditable activities. Management needs this information to prepare management reports. Additionally, the firm will have a permanent record of the time you spend on behalf of the firm, whether that time is for training an employee, looking for a file, or attending firm meetings. This information will be important when it comes time for a raise or bonus.

It is also beneficial to keep a separate time sheet documenting nonbillable noncreditable time. A written record of this time will help you develop your time management skills and monitor unproductive time. Five percent of your day (20 minutes
in an eight-hour day) is allotted for nonbillable noncreditable time. Keeping track of
it will alert you if you are exceeding this guideline.

There are two methods of manual timekeeping systems: the long method and the
short method.

With the long method, you document each activity as you start and stop it. For ex-
ample, you start the day working on the ABC case. Before you begin, you write the en-
try on your time sheet. You note the time you begin and describe your activity. After 30
minutes, you are interrupted by a telephone call from your client in the Smith v Jones
case. You note the time and complete your entry for the ABC case by inserting .5, indi-
cating that you worked on the case for 30 minutes before the interruption. You then start
a new entry for the Smith v Jones case and insert the telephone call from your client.

You speak to the client for 10 minutes. When you are finished, you document your time
sheet for .2 hr. and describe the telephone call. As you return to the ABC case, you make
a new entry on your time sheet for the ABC case and describe your work again. You note
the time and begin the clock running on the ABC assignment. Each time you stop work-
ing on a case, for whatever reason, you end your time sheet entry.

With the short method, you do not make a new entry each time you are inter-
rupted. For example, you begin working on the ABC case and prepare your time sheet
accordingly. After working on the case for 30 minutes, you are interrupted by a tele-
phone call from your client in the Smith v Jones case. You note the time and make
an entry on your time sheet for the telephone call: Smith v Jones case. You do not
close out the first entry of the ABC case. The telephone call lasted 10 minutes and
you document your time sheet with the telephone call and note the time so you may
start the clock running on the ABC case. You finish working on the ABC case an hour
later. You have a total of 1.5 hours on the ABC case and document your time sheet
entry for the ABC case with 1.5 hours. This method will give you one entry per case
per day on your time sheet. When using the short method, be sure to describe all of
your activities performed for that client. The short method is more concise and
makes inputting the information into the computer easier.

Firms differ on their requirements for submitting time sheets. Some require that
they be submitted daily, some weekly, and some monthly. Be sure to make copies of
your time sheets before you submit them.
A paralegal is working on the time sheet throughout the day. When it gets busy and there is a lot of activity, it is easy to overlook this very important task. Always have your time sheet handy. If you cannot complete an entry, at least write in the name of the case on which you worked and the time you started the activity. This entry will stimulate your memory of what transpired when you can complete your time sheet. You should never wait longer than the end of the day to complete your time sheet. It is the first task you do at the beginning of the day and the last task at the end of the day. Always end the day with a complete time sheet.

**TRENDS >>>
Are Bonuses Connected to Billable Hours?**

A prominent New York law firm, LeBoeuf, Lamb, Greene & MacRae, reported that it gives its attorneys two types of bonuses: nondiscretionary and discretionary. A nondiscretionary bonus is based on a percentage of the attorneys' base salary and is awarded if the attorneys met their annual billable hours requirement. The discretionary bonus is awarded to attorneys who have made exceptional contributions to the firm. Attorneys are eligible for the discretionary bonus if they billed 2,200 creditable hours, including up to 200 hrs of pro bono work. Among the attorneys who received the highest discretionary bonus were corporate and litigation associates who logged nearly 2,700 hours in one year. The amount of the discretionary bonus varied, but some associates earned as much as 25 percent of their base salaries.

**Automated Systems**

Manual timekeeping systems are becoming obsolete as firms take advantage of timekeeping software products. In a survey of law firms that was conducted by the American Bar Association (ABA) and Chicago-Kent College of Law in 1992, 86 percent of lawyers had a computer on or near their desks. In 1986, only 7 percent of surveyed lawyers used computers.

As lawyers become more comfortable with computers, more timekeepers will use them for timekeeping. Entering time information directly into a computer eliminates the need for data entry and saves a firm money. Management can produce daily reports more quickly than if data entry were required.

A timekeeper will enter the essential information directly into a computer or submit completed time sheets to a data entry clerk who will code and enter the information. A computer can be programmed to accommodate a firm's coding system regarding type of case, type of work performed, and timekeeper. For management to receive the many different management reports, all necessary information must be inserted into a computer.

More than 100 time and billing software packages existed in 1999. A listing of the most popular programs are listed in the Tech Tips sidebar on page 260. Most products have the following features:

- Record time, expense, and payment entries
- Produce client billing statements
- Age and track accounts receivable
- Produce management and productivity reports

Additionally, many programs will check for conflicts of interest and will accommodate task-based pricing of services.

Most of the products are marketed to small and medium law firms, although many of them will accommodate a large firm if additional software is purchased. For example, Timeslips Deluxe is designed strictly for time and billing but has additional software, Timeslips Deluxe Accounting Link, that will provide a general ledger and accounting link into thirty general ledger or accounting software programs. It also has other add-on features, such as a spellcheck and a remote timekeeper program.

**Add-on:** A software application that can be purchased to enhance the features of another software application; also called a plug-in.
Icon: A picture that symbolizes a software application or function of an application.

Drop-down list: A list of activities that are listed in an area of the screen that is visible if the list is chosen.

Application: Software that has a specific function, such as word processing, spreadsheet, or database.

The basic screens of Timeslips Deluxe are listed as icons at the top of the screen and include time and expense, transactions, client, timekeeper, activity, file maintenance, and settings, as shown in Exhibit 7.19. Options are available by a drop-down list within each screen. The program can be customized to meet the needs of individual users.

Like most other programs, Timeslips includes an on-screen timer that captures time as events occur. This feature can be accessed from any other application and allows manual time entry and timing by way of a clock that measures time. This clock can be turned off and on. It is possible to enter projected time to be spent on a matter into the clock so the actual time can be compared to the projected time. This feature is useful for task-based billing projects.

The billing rates for each individual timekeeper is programmed into the system along with the firm's coding system. The program will permit the firm to apply a markup or markdown of a particular slip. The computer automatically translates the codes into descriptive details of the services rendered, and client bills are automatically generated. The system will track the time of each timekeeper and automatically apply each timekeeper's hourly rate to the charges. Software also tracks the productivity of fixed fee and contingency matters. Exhibit 7.20 is an example of a time entry screen and calendar of billed time.

Timeslips (as well as other programs) is capable of fifty different management reports in seven categories: slip analysis, bills and worksheets, client reports, client work in progress, user reports, activity reports, and system reports. An automated system saves a firm management time and provides management reports faster.

TIMEKEEPING ETHICS

The ethical implications of accurate timekeeping cannot be overemphasized. When tracking time, be aware of the following ethical guidelines:

- Do not bill clients for work not performed. Billing clients for work not performed is stealing. When working on a client's file, be sure to note the exact time when
you start and stop the work. If you should be interrupted by a telephone call from another client, note the time and stop the clock before you take the call. When you have finished the call and resume the previous client's project, note the time again. This will allow you to insert accurate time entries on your time sheet for both projects. Deduct the amount of time you spent on the telephone call from the time spent on the client's file.

- Do not pad time sheets. Be sure to insert accurate time entries for each client's case. Timekeepers with a heavy annual billable hours requirement may be tempted to include extra time on their time sheets, but should not give in to this temptation. If you completed a project in less time than anticipated, insert the correct time on your time sheet and bring it to the attorney's attention. If you think you spent more time than anticipated on a project, insert the correct time and bring it to the attorney's attention. It is the attorney's responsibility to adjust the time entry if necessary. Padding time sheets is more prevalent than one would expect. In a 1995 survey of corporate counsel, more than 80 percent estimated that at least 5 percent of all billings were padded, while more than 25 percent believed that billings were padded by 25 percent.

- Do not bill a client for time spent on personal matters. If you are working on a client's file while you receive a personal telephone call, note the time and deduct that time from the client's matter.

- Do not double-bill. If a legal assistant works on two matters at once, the time must be split between the two matters. For example, a legal assistant is traveling by air to another city to assist in a trial. The firm bills the client for travel time. While on the airplane, the legal assistant works on a file for another client and bills both clients for the time spent on the airplane. Legal assistants should work on the case for which she or he is being paid to travel.

- Do not bill multiple clients for one activity. If a legal assistant is preparing interrogatories that will be used in two cases, you cannot bill both clients for the same time spent on the project. For example, spending three hours on an activity that benefits two clients does not equal six hours of billable time. The time should be split between both clients to total the actual time spent on the activity. The ABA ruled in its Formal Opinion 93-379 that attorneys who bill by the hour cannot double-bill for recycled work product. Other state bars have similar opinions.

- Do not apply an attorney's hourly rate to the services of a paralegal. Firms that bill an attorney's rate for paralegal time are committing fraud. Webster Hubbell, President Clinton's friend and right-hand man in the Justice Department, pled guilty to charging clients for work that was completed by associates. He spent eighteen months in prison. If you discover that your firm is guilty of this practice, it should be brought to management's attention immediately.

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**OF INTEREST . . .**

**Burning the Midnight Oil**

A partner in a respected Chicago law firm charged clients for 6,022 hours of work in 1993. This amounts to 16.5 billable hours a day, seven days a week, every week of the year. A review of his past billing record indicates that he billed about 5,000 hours a year for the previous three years at a billable rate of $350 an hour. Annual billings of 3,000 hours are extremely rare, and 5,000 hours of billing is virtually impossible.

An internal memorandum of this lawyer's firm specified that firm management, departmental, client relations, and general office matters are not billable. His colleagues described this lawyer as a tenacious litigator who regularly works long days and weekends, but they could not explain how he spent all the time that he was awake on billable matters.

Common Problems

Each timekeeper will experience at least one of the following situations. These common problems should be discussed with the firm’s management or supervising attorney for guidance on a firm’s policies.

◆ The vanishing file: Finding files is an ongoing challenge for most law firms. Files have been found in the attorney’s office, desk, briefcase, and car trunk—anywhere but the file room. Question: How does a legal assistant document time spent looking for files? Should this time be creditable or noncreditable nonbillable hours? Answer: The time should not be billed to the client. A legal assistant’s annual billable hours requirement should not be penalized because of a firm’s mismanagement of files. Therefore, the time should be credited to the timekeeper’s annual billable hours requirement as administrative time. If it is not creditable, the timekeeper would have to work extra hours to make up the time spent looking for files. It is an interesting exercise to keep track of time spent looking for files. Management would be surprised how much money file mismanagement costs a firm in unproductive time.

◆ The chatty co-worker: Every office has one. This employee tells co-workers her or his life story—twice—before starting work in the morning. Being polite to this co-worker is important to develop a positive firm culture, but it is also important to get work done. Question: How does a legal assistant handle this situation? Answer: A legal assistant can be both polite and assertive in this situation by commenting, for example, “Gee, I would love to hear all about this, but I must prepare this document by noon. Can we talk at lunch?” Also, subtle tactics, such as closing the office door, discourages a chatty co-worker.

◆ Time constraints: Clients are becoming more cost conscious, and many are requiring that a firm adhere to a budget for a case. Task-based billing projects require timekeepers to be especially aware of the amount of time spent on a matter. Question: If a legal assistant exceeds the allotted time for a project, what should she or he do with the extra time? Answer: The exact time spent on the matter should be included on the time sheet regardless of time restrictions. A note referencing the excessive time will alert management to the problem. Management or the attorney will catch the time and adjust the client’s bill accordingly. Management monitors the time that each activity takes and uses this information to predict future charges. If in doubt, the timekeeper should consult management or the supervising attorney for guidance.

◆ The waiting game: The legal assistant has scheduled a meeting with the supervising attorney regarding a client’s case. During the meeting, the supervising attorney takes telephone calls from other clients. The legal assistant must wait for the attorney to finish before resuming the meeting. Question: How should this time be documented? Answer: The time the legal assistant waits for the attorney to resume the meeting should not be charged to the client unless the timekeeper works on the case while waiting. The legal assistant should consult management or the supervising attorney in this situation or leave the meeting until the attorney finishes the call.

◆ Travel time: Is travel time billable or nonbillable? The firm may bill some clients for travel time and not others. Others bill clients a reduced rate for travel time. Question: If the firm bills a client for travel time, may the timekeeper work on another client’s case while traveling? Answer: No. If the timekeeper did so, she or he would be guilty of double-billing.

◆ Short telephone calls: A legal assistant receives a series of short telephone calls on one case throughout the day. Question: Are the calls billed at a minimum charge separately, or are they aggregated? Answer: The legal assistant must use her or his own judgment in this situation. The general rule is that if the calls occur while the legal assistant is working on the case, the calls should be
aggregated and included in the total time spent on the case. If the calls occur while the legal assistant is working on another case, the calls should be billed at the minimum charge. The answer depends on the firm’s policy, the type of client, and the circumstances involved.

Minimum charges: Most firms have a minimum charge, usually 12 minutes, or 0.2 hour. On occasion, a legal assistant may work on a matter for only 2 or 3 minutes. For example, a client calls and requests a copy of a document. The time it takes for the legal assistant to take the call and retrieve the document to give it to the secretary for copying is three minutes. Question: Should the legal assistant bill the client for the minimum charge, or not document the charge? Answer: Document the call. One solution is to document the charge as a minimum charge and attach a note to the supervising attorney that the matter took about three minutes. It is the supervising attorney’s or management’s responsibility to make the ultimate decision to charge or not charge the client.

TIMEKEEPING TIPS

Keep the Time Sheet Handy
Preparing a time sheet is the first thing a legal assistant does in the morning. Completing a time sheet is the last thing a legal assistant does in the evening. Since a legal assistant works with time sheets constantly (whether a manual or an electronic time sheet), a time sheet must be accessible at all times. As a project is begun, the file name, client name and number, and description of the work are documented on the time sheet. The time is noted. When the project is finished, the time is noted. The time can then be calculated in tenths of an hour and entered on the time sheet. It is helpful to finish a project once it is started. However, if a legal assistant is interrupted or must stop for another reason, the time is noted. The time the project is resumed is also noted. The interval time is deducted from the total amount of time for the project.

Record the Largest Amount of Time
When recording time in tenths of an hour, it is difficult to end a task on the exact 6-minute increment. If a legal assistant worked on a project for 40 minutes, does she bill the client 0.6 hour (36 minutes) or 0.7 hour (42 minutes)? It is generally accepted to put down the largest amount of time.

Document the Time as a Project Is Finished
Timekeepers who wait until the end of a week to complete time sheets are costing their firms a lot of money. It is very easy to forget about many short telephone calls. Missing just one a day will add up to thousands of dollars by the end of a year. With a billing rate of $75 an hour, not documenting one minimum-charge telephone call a day will total $3,540 by the end of a year:

\[
0.2 \text{ hour a day} \times 75 = \$15 \text{ a day} \\
\$15 \times 236 \text{ days a year} = \$3,540 \text{ a year}
\]

Do Not Estimate Time
Timekeepers who wait until the end of a day to document time sheets usually estimate their time spent on a project. A timekeeper who thinks that she or he can accurately estimate time is fooling her- or himself and the firm. An experiment conducted by Altman, Weil & Pensa asked a number of attorneys to pick several files and estimate their time spent on each case. In every case, the attorney was either 50 percent
too high or 40 percent too low. Other studies have consistently shown that timekeepers who estimate their time underestimate their time.

**Be Accurate**

If a legal assistant feels that it took too much time to complete a project, she or he may be tempted to reduce the recorded amount of time spent on the project. This is a disservice to the legal assistant. All time spent on a project must be recorded regardless of its billable nature. If a supervising attorney feels that the time spent on a project is not billable or is too high, it is the attorney's responsibility to reduce the cost to the client when the attorney reviews the bills.

If a legal assistant feels that she or he completed a project too quickly and should have devoted more time to it, she or he may be tempted to add to the amount of time. A legal assistant should not give in to this temptation. Each legal assistant works at her or his own pace. What is speedy to one legal assistant is average to another.

**Be Descriptive and Concise**

When describing time, a timekeeper should avoid using overly broad phrases such as "review of file" or "conference with lawyer." Descriptions should clearly identify the work performed, such as the reason a file was reviewed or the issues discussed at a conference. When describing telephone calls, include the name of the other party and the topic of conversation. Descriptions must be clear, brief, and concise.

**Record All Nonbillable Time**

If a firm does not require nonbillable time to be documented on time sheets, a legal assistant should develop a "nonbillable time" time sheet and record all nonbillable activities on it. This will come in handy at evaluation time.

**Develop To-Do Lists**

Putting projects on a to-do list will help a legal assistant give priority to projects and structure a day. Projects are placed in three categories: A, B, and C. A projects are urgent, B projects must be completed within a week, and C projects may be completed within a month. The list should be revised each week.

**Conclusion**

Timekeeping is a very important skill for all legal assistants. Accurate timekeeping is especially important in view of the current economic conditions—in which clients are pressured to keep legal fees down and law firms are pressured to maximize revenue.

**Summary**

The knowledge and expertise of lawyers and legal assistants are the products law firms sell to their clients. Time is the vehicle by which lawyers deliver their products. Managing time is a skill that requires effort. Since time is a law firm's product, it must be documented before its value can be realized. If it is not documented, its value is lost, and a firm loses its product.

Lawyers and legal assistants are the primary timekeepers in a law office. Most law firms establish a minimum number of billable hours that must be produced by each timekeeper in a year. The number of annual billable hours required of a legal assistant varies with each firm.

The hours of a workday are placed in two categories: billable and nonbillable. Billable hours are directly applied to clients' matters; nonbillable hours are not applied to clients' matters. Creditable nonbillable hours are credited toward an annual billable
EXHIBIT 7.20  Example of Time Entry and Tracking Screen in Timekeeping Software  
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TECH TIPS

**Timekeeping and Billing Software**

The following is a sample of related software:

- **Timeslips Deluxe**: Timeslips Corporation—www.timeslips.com  
- **Advanced/Network Billing**: CompuLaw—www.computlaw.com  
- **DDI/Law**: DDI, Inc.—(847) 647-2222  
- **Distributed Time Entry 5.0**: Advanced Productivity Software—www.advancedproductivity.com  
- **PC Law Jr.**: Alumni Software—www.pclaw.com  
- **ProLaw**: Impact Software Productions, Inc.—www.prolaw.com  
- **TABS III, Jr.**: Software Technologies, Inc.—www.softwaretech.com  
- **Time & Profit**: BytePro—www.bytepro.com  
- **The Tussman Program**: Tussman Programs, Inc.—(800) 228-6589  
- **Amicus Attorney**: Gavel & Gown Software—www.amicusattorney.com  
- **Time Matters**: DataTxt Corporation—www.timematters.com  
- **Carpe Diem**: Prosoft Corporation—  
- **StatusPro**: CSS, Inc.—www.csspro.com  
- **AboutTime**: Versys Corporation—www.versys.com

For Large Firms

- **Javelon Practice Management System**: Barrister Information Systems—www.barrister.com  
- **CMS Open**: CMS/Data Corporation—www.cmsdata.com  
- **Elite**: Elite Information Systems—www.elite.com

*Software mentioned in this sidebar is for informational purposes only and is not for the purpose of endorsing products.*