

Checklist for Starting a Law Firm

1: PLANNING & BUDGETING

- Write a Business and Marketing Plan
 - Project gross receipts
 - Project overhead and expenses
 - Project net receipts
 - Cash flow projections
 - Project billable and total hours worked
 - Determine marketable experience
 - Set fees to make a profit
 - Develop fee agreements

2: MARKETING PLAN & PRACTICE DEVELOPMENT

- Identify potential client base
- Advertising
 - Print ads
 - Website
 - TV, radio, and billboard
- Office signs
- Firm brochures
- Client newsletters
- Join civic organizations
- Attend and participate in community seminars
- Announcements

3: FORMS OF PRACTICE

- Considerations in selecting firm structure
 - Taxation
 - Liability
 - Succession and/or dissolution
- Solo practice
- Partnership
- Limited liability options
- Professional corporation
 - Articles of incorporation
 - Shareholders, officers, chief operating officer

4: OFFICE SPACE AND LOCATION CONSIDERATIONS

- Office building
- Image: upscale or casual?
- Square footage required
- ADA considerations
- Parking and accessibility
- Custodial services
- Expansion opportunities
- Renovation needs or goals
- Location
- Office sharing/partner
- Renting vs. leasing
- Working from home office

5: ACCOUNTING NEEDS

- Consult with CPA
 - Establish accounting procedures
- Chart of accounts
- Profit and loss statements
- Balance sheets
- Cash flow statements
- Quarterly/annual tax returns
- Payroll service
- Bank and trust accounting systems and reconciliation procedures
- Software compatible with CPA

6: STARTUP COSTS AND INCOME SOURCES

- Experts suggest that funds be available to cover expenses for at least the first 6 months to one year of operating expenses (in addition to personal living expenses).
 - Sources of capital
 - Local bank or credit union
 - Personal or business loan
 - Home equity/refinance
 - Line of credit
 - Lease, equipment loans
 - Family loans
 - Private investor loans
 - Personal savings

7: BANKING ACCOUNTS

- Trust account (separate account)
- Business operations account for expenses and payroll
- Short term savings
- Office Safe/Safe deposit boxes
- Firm credit cards
- Investments
- Checks/deposit slips/endorsement stamp
- Ability to accept credit card payments?
- Retirement plan

8: TECHNOLOGY

- Software
 - Word processing
 - Time and billing/accounting
 - Calendaring and docketing
 - Conflict checking
 - Case management
 - Document production and assembly
 - Office suite software
 - Word processing
 - E-mail
 - Spreadsheet
 - Presentation software (PowerPoint, Keynote)
 - Virus protection programs
 - Voice recognition software
 - Other specialized/practice specific software
- Hardware
 - Computers
 - Operating systems
 - Back-up systems
 - Printers
 - Network/Firewalls
 - Scanner
 - Laptop
 - Personal Digital Assistant (PDA)

9: OFFICE EQUIPMENT, OFFICE SERVICES AND SUPPLIES

- Fax Machine
- Scanner
- Shredder
- Photocopier
- Internet Service Provider
- Email address
- Dictation equipment/Voice Recognition Software
- Postage scale/mail equipment
- Establish UPS and Fed Ex accounts
- High speed Internet access
- Telephone System
- Voice mail/manual message system
- Answering service
- Local and long distance carrier
- Conference calling
- Hold music/messages
- Cell phone
- Pager
- Office furniture for attorney(s), legal staff, reception, filing cabinets, conference room furnishings
- Carpeting, area rugs, book shelves, art work, office decor needs
- Office supplies, paper, pens, filing supplies, envelopes, staplers, etc.
- Business cards and announcements

10: LIBRARY & LEGAL RESEARCH

- Online legal research provider
- Law school library
- Local law library
- Courts library
- Purchase new or used law books
- Internet research

11: OFFICE SYSTEMS AND PROCEDURES

- Develop office manual and operations procedures manual
- Standard procedures and policies for practice
- Personnel policies and benefits
- File organization
 - Opening File procedures
 - Closing File procedures, retention, storage and destruction
- Document maintenance
- Office Safe/Safe deposit box

- Computer backup
- Forms used in practice
- Client interview form
- Engagement and non-engagement letters
- Billing Statement Form
- Client survey form after conclusion of representation
- General client correspondence and notices
- Client billing procedures
 - Regular monthly statements even if no amount due
 - Detailed billing statement
- Expense billing
- Costs to be billed
 - Legal assistant time and/or paralegal time
 - Telephone expenses
 - Computerized legal research
 - Mailing costs
- Collection policy
- Client relations policy
- Setting appointments and introducing staff
- Returning phone calls and e-mail messages
- Client intake form or survey at conclusion of representation
- Accounting procedures
 - Bank account reconciliation
 - Cash flow statement
 - Accounts receivables/payables
 - Aging review
 - Expense approval
 - Signature requirement on checks

12: INSURANCE PROTECTION

- Professional liability
- Health Plan
- Workers' Compensation
- Property (liability, wind, fire, earthquake, etc.)
- Car Insurance for business use
- Loss of valuable documents
- Life insurance
- Disability insurance
- Business Interruption

13: PERSONNEL

- Legal Secretaries
- Legal Assistant(s) and/or Paralegal(s)
 - Full time
 - Part time
 - Temporary
- Sharing personnel with other attorneys
- Training
- Employee benefits
- Vacation and holiday time
- Sick leave
- Overtime policy
- Medical/dental/vision insurance
- Retirement Plan
- Secure tax forms, confidentiality and non-disclosure agreements, employment applications, etc.