

CHECKLIST FOR STARTING A LAW PRACTICE

*This checklist is designed simply as a guideline to provoke thought when considering starting a law practice.
It is not meant to be all inclusive.*

I. PLANNING/BUDGETING

- Do self-assessment about starting a practice
 - Tolerance for Risk
 - Managerial Skills
 - Marketing Skills
 - Confidence Level in Legal Skills
- Write a Business and Marketing Plan
 - Projection of gross receipts
 - Projection of overhead and expenses
 - Projection of net receipts
 - Cash flow projections
 - Projection of hours worked
 - Marketable experience
 - Setting fees to make a profit
 - Written fee agreements

II. MARKETING PLAN/PRACTICE DEVELOPMENT

- Potential Client Base
- Advertising
 - Yellow Page ad
 - Website
 - TV, radio, billboard
 - Office signage
 - Sign up for Lawyer Referral Service
 - Sign up for free Lawyer Search service on MOBAR website
 - Firm brochure
 - Client newsletter
 - Join civic organizations
 - Produce community seminars
 - Announcements
 - Speak at CLE programs

III. FORMS OF PRACTICE

- Considerations in Selecting Form of Practice
 - taxation
 - liability
 - succession/dissolution
- Solo Practice
- Partnership
- Professional Corporation
 - Articles of Incorporation
 - shareholders, officers, chief operating officer
 - Statement of Good Standing from Clerk of Supreme Court
- Limited Liability Company
 - Articles of Organization
 - members
- Limited Liability Partnership
- Consult with CPA

- Specialized/General Practice
- Partnership Agreement in writing
 - Capital/equity from partners
 - Withdrawal/retirement issues
 - Compensation and profit distribution
 - Each partner's role in the practice
 - Managing Partner
 - Rainmaker
 - Others

IV. OFFICE SPACE/LOCATION CONSIDERATIONS

- Office Building
 - Image, upscale, informal
 - Square footage
 - ADA considerations
 - Parking
 - Services, janitorial
 - Expansion Opportunities
 - Renovation Needs
- Location
- Office sharing
- Renting, leasing
- Purchasing/buy into a law practice
- Working from home

V. ACCOUNTING NEEDS

- Consult with CPA
 - set up accounting procedures
 - Chart of accounts
 - Profit and loss statements
 - Balance sheets
 - Cash Flow Statement
 - quarterly and annual tax returns
 - payroll services
 - bank and trust accounting systems/reconciliation procedures
 - software compatible with accountant

VI. START UP COSTS/CREDIT SOURCES

- Highly suggested that enough cash or a line of credit be available to cover start-up costs and at least the first 6 months to one year of operating expenses plus personal living expenses.
- Sources of credit
 - Local bank/Credit Union
 - personal, business loan
 - home equity, home refinance
 - line-of-credit to be drawn upon as needed
 - lease, equipment loans
 - family loans/private investor loans
 - Personal savings

VII. BANK ACCOUNTS

- Trust account (separate account)
 - IOLTA account, if applicable
- Business operating account for expenses/payroll
- Short term savings
- Safety deposit box
- Firm credit card
- Investments
- Checks, deposit slips, endorsement stamp
- Set up account to accept credit cards
- Retirement plan

VIII. TECHNOLOGY

- Software
 - Word processing
 - Time and billing/accounting
 - Calendaring and docketing
 - Conflicts checking
 - Case Management
 - Document assembly
 - Office Suite Software
 - Word processing
 - E-mail
 - Spreadsheets
 - Presentation Software (such as PowerPoint)
 - Others
 - Virus protection for computers
 - Voice Recognition
 - Other specialized or practice specific software
- Hardware
 - Computers
 - Operating system
 - Back-up system
 - Lease or purchase
 - Printers
 - Network/Firewall
 - Scanners
 - CD-ROM
 - Laptop Computer
 - Personal Digital Assistant (PDA)

IX. OFFICE EQUIPMENT/SERVICES/SUPPLIES

- Fax Machine
- Photocopier
- Scanner
- Shredder
- Dictation equipment/Voice Recognition Software
- Internet Service Provider
- Email address
- High speed Internet access or DSL line
- Telephone System

- Equipment/answering machine
- Voice mail/manual message system
- Answering service
- Local and long distance carrier
- Conference calling
- Music on hold
- Cell phone/service
- Pager
- Postage scale/mail equipment
 - Establish UPS and Fed Ex accounts
- Office furniture for lawyer(s), staff, reception area, file cabinets, conference, room furniture, carpeting and area rugs, book shelves, art work/office decorating needs
- Office supplies, paper, envelopes, pens, staplers, file folders, etc.
- Business cards, announcements
- Order public information brochures from the Bar for clients

X. LIBRARY/LEGAL RESEARCH

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

XI. OFFICE SYSTEMS/PROCEDURES

- Develop office manual/operating procedures manual
 - Standard procedures/policies for practice
 - Personnel policies/benefits
- Docketing, calendaring, tickler system
 - Computer (dual-system is highly recommended)
 - Manual
- File organization
 - Alpha/numeric
 - Centralized/decentralized
 - Opening file procedures
 - Closing file procedures/retention/storage/destruction
 - Document maintenance
 - Offsite - safety deposit box
 - Computer backup
 - Fireproof files
 - Forms used in practice
 - Client interview form
 - Engagement/non-engagement letters
 - Written fee agreements
 - Practice specific checklists
 - Billing Statement Form
 - General client correspondence, notices, etc.
 - Client survey form after conclusion of representation

- Client billing procedures
 - Regular monthly statements even if no amount due
 - Detailed billing statement
 - Expense billing
 - Costs to be billed
 - legal assistant time/paralegal time
 - telephone expenses
 - duplicating expenses
 - computerized legal research
 - mailing costs
 - others
 - Collection policy
 - Credit cards for payment

- Client Relations Policy
 - Setting appointments, introducing staff
 - Returning phone calls, e-mail messages
 - Client intake form/survey at conclusion of representation
 - Keeping clients informed
 - Send copies of work, documents
 - Communicating Fees
 - Clear discussion about fees
 - Written fee agreements/engagement letters

- Accounting Procedures
 - Bank account reconciliation
 - Cash Flow Statement
 - Accounts Receivables/Payables
 - aging review
 - Expense Approval System
 - Counter signature requirement on checks
 - Others

XII. INSURANCE PROTECTION

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

XIII. PERSONNEL

- Legal Assistant/Paralegal
 - Full-time
 - Part-time
 - Temporary
 - Hours, flex-time

- Sharing personnel with other professionals
- Training
- Employee benefits
 - Vacation, holidays
 - Sick leave
 - Overtime policy
 - Medical insurance
 - Retirement Plan
 - Others
- Secure I-9 forms, W-4 forms, confidentiality agreement, employment applications, etc

XIV. MISCELLANEOUS

- Call MOBAR Law Practice Management Information Center for assistance
 - Lending library
- Register fictitious name (if applicable)
- Obtain city or county business licenses or permits
- Order Post Office Box (if needed)
- Build a forms file
- Become a notary or have someone on staff or close by that is available
- Develop a disaster plan for your office, files, computer, etc.
- Develop a plan for your illness, incapacity or death.
- Consider attending The Missouri Bar's Solo and Small Firm Conference held annually in June.
- Join The Missouri Bar's Solo and Small Firm Committee and email listserv for access to a network of other solo and small firm lawyers.
- Change address with Missouri Bar
- Call Sara Rittman, Legal Ethics Counsel, with ethical questions.
- Join local bar association
- Develop a network of other lawyers to call upon for assistance
- Consider requesting a mentor through The Missouri Bar's Mentoring Program