

## LAW FIRM FINANCIAL REPORTING

### HOW MANY REPORTS COULD ONE PERSON NEED?

Today's time/billing/accounting programs have so many reports available to users, it can be incredibly overwhelming. One of the clinchers, not to harp on the integrated accounting issue, is that there is no better way to ensure accuracy in your reports than to do everything related to the back office of your law firm in one program. In all of the popular billing programs for law firms, when you look at the reports menu, there are literally hundreds of different report combinations. Many reports can be sorted and totaled in many different ways, and those kinds of things can drastically change the results of the report. The reports are typically sorted in to several categories.

### DIFFERENT TYPES OF REPORTS

#### PRODUCTIVITY

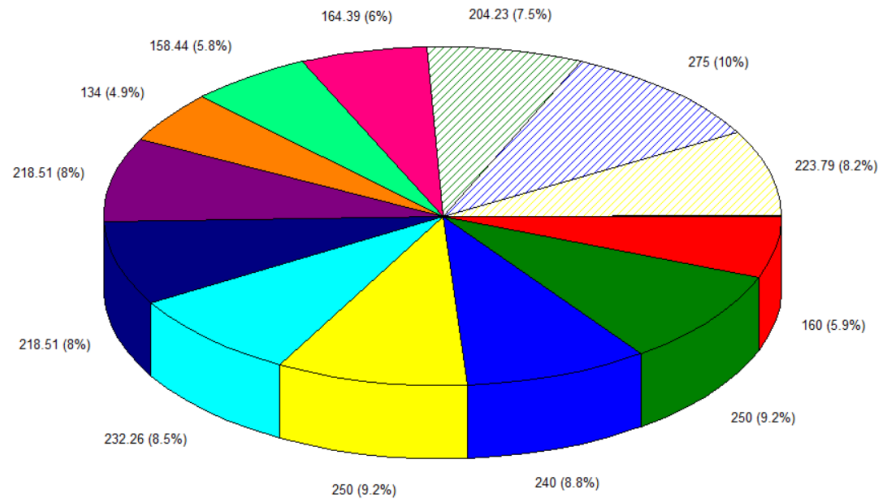
Productivity reports are used to assess many things, such as hours worked, hours billed, collections, matters opened and many other relevant statistics to help you gauge the effectiveness of a timekeeper. One of the things to be cognizant of are the write-ups/downs and write-offs.

Each software product will have different report names and slightly different options, but we have included below some screenshots of different productivity and time summary report examples from some of the more popular small firm TBA products, PCLaw and Tabs3.

Nov 2/2004		Alumni Law Firm - Cash				
		Billing by Lawyer				
		ALL DATES				
Categories/Fee Credit Lawyer		Billed	Hours(Hr)	Rate/Hr	Rcvd	Rcvd(%)
corp - General Corporate						
AB - Al Borczak		9199.28	28.40	323.92	8950.88	97.30
AC - Adam Cobb		3372.37	10.00	337.24	3104.79	92.07
RS - Robert Skinner		588.35	3.00	196.12	466.83	79.35
<b>Total:</b>		<b>13160.00</b>	<b>41.40</b>	<b>317.87</b>	<b>12522.50</b>	<b>95.16</b>
est - Wills/Estates/Trusts						
RS - Robert Skinner		1450.00	8.25	175.76	750.00	51.72
<b>Total:</b>		<b>1450.00</b>	<b>8.25</b>	<b>175.76</b>	<b>750.00</b>	<b>51.72</b>
lit - Litigation						
AB - Al Borczak		2310.00	6.60	350.00	1703.63	73.75
AC - Adam Cobb		2137.50	5.70	375.00	550.32	25.75
RS - Robert Skinner		2550.00	9.00	283.33	681.05	26.71
<b>Total:</b>		<b>6997.50</b>	<b>21.30</b>	<b>328.52</b>	<b>2935.00</b>	<b>41.94</b>
mat - Matrimonial/Family						
AB - Al Borczak		11050.00	0.00	0.00	550.00	4.98
AC - Adam Cobb		13500.00	0.00	0.00	0.00	0.00
RS - Robert Skinner		6437.50	2.50	2575.00	0.00	0.00
<b>Total:</b>		<b>30987.50</b>	<b>2.50</b>	<b>12395.00</b>	<b>550.00</b>	<b>1.77</b>
re - Real Estate						
AB - Al Borczak		750.00	4.00	187.50	750.00	100.00
AC - Adam Cobb		0.00	2.00	0.00	0.00	100.00
<b>Total:</b>		<b>750.00</b>	<b>6.00</b>	<b>125.00</b>	<b>750.00</b>	<b>100.00</b>
*** Firm Summary - All Categories ***						
corp - General Corporate		13160.00	41.40	317.87	12522.50	95.16
est - Wills/Estates/Trusts		1450.00	8.25	175.76	750.00	51.72
lit - Litigation		6997.50	21.30	328.52	2935.00	41.94
mat - Matrimonial/Family		30987.50	2.50	12395.00	550.00	1.77
re - Real Estate		750.00	6.00	125.00	750.00	100.00
<b>Total:</b>		<b>53345.00</b>	<b>79.45</b>	<b>671.43</b>	<b>17507.50</b>	<b>32.82</b>
*** Lawyer Summary - All Categories ***						
AB - Al Borczak		23309.28	39.00	597.67	11954.51	51.29
AC - Adam Cobb		19009.87	17.70	1074.00	3655.11	19.23
RS - Robert Skinner		11025.85	22.75	484.65	1897.88	17.21
<b>Firm Total-All Categories</b>		<b>53345.00</b>	<b>79.45</b>	<b>671.43</b>	<b>17507.50</b>	<b>32.82</b>

	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Total	YTD Total
<b>1 Michael L. Jensen</b>						
<b>Billed</b>						
Hours Worked	18.25 19.9%	41.25 19.8%	50.83 35.7%	58.70 44.5%	169.03 29.4%	361.78 22.7%
Billed Hours	18.25 19.9%	41.25 19.8%	50.83 35.7%	58.70 44.5%	169.03 29.4%	361.78 22.7%
Write-Up Hours	0.00 0.0%	0.00 0.0%	0.00 0.0%	0.00 0.0%	0.00 0.0%	0.00 0.0%
Write-Down Hours	0.00 0.0%	0.00 0.0%	0.00 0.0%	0.00 0.0%	0.00 0.0%	0.00 0.0%
Worked Value	8,745.00 25.3%	17,670.00 22.5%	18,694.10 35.7%	19,125.00 46.8%	64,234.10 31.2%	160,609.10 26.4%
Billed Amount	8,745.00 25.3%	17,632.50 22.5%	18,156.60 35.1%	19,125.00 46.8%	63,659.10 31.0%	160,034.10 26.4%
Total Write-Up	0.00 0.0%	0.00 0.0%	0.00 0.0%	0.00 0.0%	0.00 0.0%	0.00 0.0%
Total Write-Down	0.00 0.0%	37.50 0.0%	537.50 3.0%	0.00 0.0%	575.00 1.0%	575.00 0.0%
Worked Rate	479.18	427.45	357.20	325.81	376.61	442.35
Billed Rate	479.18	427.45	357.20	325.81	376.61	442.35
Effective Rate	479.18	427.45	357.20	325.81	376.61	442.35
<b>Worked</b>						
Billable Hours Worked	19.25 93.7%	42.75 97.5%	58.33 99.7%	61.05 100.0%	181.38 98.6%	376.63 99.1%
Hours to Bill	19.25 93.7%	42.75 97.5%	58.33 99.7%	61.05 100.0%	181.38 98.6%	375.13 98.7%
Worked Value	8,995.00 97.6%	18,045.00 98.5%	20,569.10 99.6%	19,712.50 100.0%	67,321.60 99.1%	164,359.10 99.5%
Total Hours	20.55 11.9%	43.85 25.3%	58.53 33.8%	61.05 35.2%	183.98 26.5%	380.23 19.9%
Total Amount	9,220.00 26.3%	18,320.00 23.1%	20,646.60 36.8%	19,712.50 43.5%	67,899.10 31.5%	165,186.60 26.7%

**Tab3 Category Productivity Report - Effective Rate**



Nov 2/2004		Alumni Law Firm - Cash				
		Time Summary				
		ALL DATES				
Categories/Fee Credit Lawyer		Value	%(Value)	Hours(Hr)	%(Hrs)	Rate/Hr
*** Billable ***						
BW - Billable Work						
Al Borczak		12995.00	54.97	39.70	47.75	327.33
Adam Cobb		6187.50	26.18	19.70	23.69	314.09
Robert Skinner		4456.25	18.85	23.75	28.56	187.63
<b>Total:</b>		<b>23638.75</b>	<b>100.00</b>	<b>83.15</b>	<b>100.00</b>	<b>284.29</b>
*** Write Up/Downs ***						
WD - Write Down						
Al Borczak		-635.72	59.14	0.00	100.00	0.00
Adam Cobb		-327.63	30.48	0.00	100.00	0.00
Robert Skinner		-111.65	10.39	0.00	100.00	0.00
WU - Write Up						
Al Borczak		10500.00	34.85	0.00	100.00	0.00
Adam Cobb		13450.00	44.64	0.00	100.00	0.00
Robert Skinner		6181.25	20.51	0.00	100.00	0.00
<b>Total:</b>		<b>29056.25</b>	<b>100.00</b>	<b>0.00</b>	<b>100.00</b>	<b>0.00</b>
*** Non-Billable ***						
NBW - Non-Billable Work						
Al Borczak		0.00	100.00	9.00	90.00	0.00
Adam Cobb		0.00	100.00	1.00	10.00	0.00
nc - **No Charge**						
Al Borczak		0.00	100.00	0.30	100.00	0.00
<b>Total:</b>		<b>0.00</b>	<b>100.00</b>	<b>10.30</b>	<b>100.00</b>	<b>0.00</b>
*** Time Summary - Summary by Task ***						
*** Billable ***						
Billable Work		23638.75	44.86	83.15	88.98	284.29
<b>Total Billable</b>		<b>23638.75</b>	<b>44.86</b>	<b>83.15</b>	<b>88.98</b>	<b>284.29</b>
*** Write Up/Downs ***						
Write Down		-1075.00	-2.04	0.00	0.00	0.00
Write Up		30131.25	57.18	0.00	0.00	0.00
<b>Total WriteUps/Downs</b>		<b>29056.25</b>	<b>55.14</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
*** Non-Billable ***						
Non-Billable Work		0.00	0.00	10.00	10.70	0.00
**No Charge**		0.00	0.00	0.30	0.32	0.00
<b>Total:</b>		<b>0.00</b>	<b>0.00</b>	<b>10.30</b>	<b>11.02</b>	<b>0.00</b>
*** Summary by Working Lawyer ***						
AB - Al Borczak		22859.28	43.38	49.00	52.43	466.52
AC - Adam Cobb		19309.87	36.64	20.70	22.15	932.84
RS - Robert Skinner		10525.85	19.98	23.75	25.41	443.19
<b>Firm Total:</b>		<b>52695.00</b>	<b>100.00</b>	<b>93.45</b>	<b>100.00</b>	<b>563.88</b>

Date: 11/28/2016

**Tab3 Recap of Hours Report**  
Jensen, Martin & Anderson, P.C.  
From November 01, 2016 Thru November 28, 2016

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001 Michael L. Jensen

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total
Billable			Nov 1, 2016	2	3	4	5	
Non-billable								
<b>Total</b>								
Billable	6	7	8	9	10	11	12	
Non-billable								
<b>Total</b>								
Billable	13	14	15	16	17	18	19	
Non-billable		8.20	7.50		3.50	4.25		23.45
<b>Total</b>		8.20	7.50	8.00	3.40	4.25		11.40
				8.00	6.90			34.85
Billable	20	21	22	23	24	25	26	
Non-billable		7.85	12.10	8.90	6.40	8.30		43.55
<b>Total</b>		7.85	12.10	8.90	6.40	8.30		43.55
Billable	27	28						
Non-billable		2.25						2.25
<b>Total</b>		2.25						2.25
<b>GRAND TOTALS:</b>								
							<b>Billable</b>	<b>69.25</b>
							<b>Non-billable</b>	<b>11.40</b>
							<b>Total</b>	<b>80.65</b>

**COLLECTION SUMMARY**

A report like this is a great combination report. You can see the number of hours billed, the amount of fees billed, cash collected, how collections were allocated, and A/R balances. All of this is run so you can analyze month by month, attorney by attorney.

Alumni Law Firm - Cash Collection Summary ALL DATES											
Month	Hrs	Net Billed			Cash In			Payment Used			A/R Balance
		Fees	Disb+Tax	Total	Retainers	Receipts	Total	Fees	Disb+Tax	Total	
Nov 2/2004											
AB - Al Borczak											
Dec 99	0.00	550.00	50.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	600.00
Jan 00	5.90	2065.00	20.00	2085.00	0.00	2252.27	2252.27	2202.27	50.00	2252.27	432.73
Feb 00	1.50	525.00	0.00	525.00	0.00	0.00	0.00	0.00	0.00	0.00	957.73
Nov 03	14.60	4007.61	185.43	4193.04	0.00	0.00	0.00	0.00	0.00	0.00	5150.77
Apr 04	9.70	3270.00	181.00	3451.00	0.00	6817.61	6817.61	6616.61	201.00	6817.61	1784.16
Jul 04	4.30	1400.00	90.50	1490.50	1500.00	1882.16	3382.16	1635.66	246.50	1882.16	1392.50
Aug 04	3.00	991.67	90.50	1082.17	0.00	799.97	799.97	1499.97	90.50	1590.47	884.20
Nov 04	0.00	10500.00	10.00	10510.00	0.00	0.00	0.00	0.00	0.00	0.00	11394.20
<b>Tot:</b>	<b>39.00</b>	<b>23309.28</b>	<b>627.43</b>	<b>23936.71</b>	<b>1500.00</b>	<b>11752.01</b>	<b>13252.01</b>	<b>11954.51</b>	<b>588.00</b>	<b>12542.51</b>	<b>11394.20</b>
AC - Adam Cobb											
Jan 00	0.30	112.50	0.00	112.50	0.00	82.73	82.73	82.73	0.00	82.73	29.77
Feb 00	2.50	887.50	55.00	942.50	0.00	380.00	380.00	325.00	55.00	380.00	592.27
Nov 03	8.90	2322.37	20.17	2342.54	0.00	0.00	0.00	0.00	0.00	0.00	2934.81
Apr 04	0.00	0.00	0.00	0.00	0.00	859.87	859.87	859.87	0.00	859.87	2074.94
Jul 04	5.00	1875.00	0.00	1875.00	0.00	1867.84	1867.84	1867.84	0.00	1867.84	2082.10
Aug 04	1.00	312.50	0.00	312.50	0.00	519.67	519.67	519.67	0.00	519.67	1874.93
Nov 04	0.00	13500.00	0.00	13500.00	0.00	0.00	0.00	0.00	0.00	0.00	15374.93
<b>Tot:</b>	<b>17.70</b>	<b>19009.87</b>	<b>75.17</b>	<b>19085.04</b>	<b>0.00</b>	<b>3710.11</b>	<b>3710.11</b>	<b>3655.11</b>	<b>55.00</b>	<b>3710.11</b>	<b>15374.93</b>
RS - Robert Skinner											
Dec 99	0.00	800.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	800.00
Jan 00	4.25	750.00	0.00	750.00	0.00	400.00	400.00	400.00	0.00	400.00	1150.00
Feb 00	5.00	1050.00	111.60	1161.60	0.00	525.00	525.00	525.00	0.00	525.00	1786.60
Nov 03	12.50	2280.02	61.48	2341.50	0.00	0.00	0.00	0.00	0.00	0.00	4128.10
Apr 04	0.00	0.00	0.00	0.00	0.00	267.52	267.52	267.52	0.00	267.52	3860.58
Aug 04	1.00	145.83	0.00	145.83	0.00	805.36	805.36	705.36	100.00	805.36	3201.05
Nov 04	0.00	6000.00	0.00	6000.00	0.00	0.00	0.00	0.00	0.00	0.00	9201.05
<b>Tot:</b>	<b>22.75</b>	<b>11025.85</b>	<b>173.08</b>	<b>11198.93</b>	<b>0.00</b>	<b>1997.88</b>	<b>1997.88</b>	<b>1897.88</b>	<b>100.00</b>	<b>1997.88</b>	<b>9201.05</b>
*** Summary by Collecting Lawyer ***											
Lawyer											
AB	39.00	23309.28	627.43	23936.71	1500.00	11752.01	13252.01	11954.51	588.00	12542.51	11394.20
AC	17.70	19009.87	75.17	19085.04	0.00	3710.11	3710.11	3655.11	55.00	3710.11	15374.93
RS	22.75	11025.85	173.08	11198.93	0.00	1997.88	1997.88	1897.88	100.00	1997.88	9201.05
*** Firm Summary ***											
<b>Tot:</b>	<b>79.45</b>	<b>53345.00</b>	<b>875.68</b>	<b>54220.68</b>	<b>1500.00</b>	<b>17460.00</b>	<b>18960.00</b>	<b>17507.50</b>	<b>743.00</b>	<b>18250.50</b>	<b>35970.18</b>

Date: 11/28/2016

**Tab3 Timekeeper Analysis Report by Month**  
Jensen, Martin & Anderson, P.C.

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August 2016 Thru November 2016

		Billed Hours	Original Hours	Billed Amount	Original Value	Write Offs	Fee Receipts	Billed Rate	Effective Rate
<b>August</b>									
001	Michael L. Jensen	18.25	18.25	8,745.00	8,745.00	0.00	0.00	479.18	479.18
002	Paula Ann Martin	28.75	28.75	12,937.50	12,937.50	0.00	250.00	450.00	450.00
003	Ronald P. Anderson	7.50	7.50	2,947.50	2,947.50	0.00	0.00	393.00	393.00
004	Robert O. Burns	3.00	3.00	2,250.00	2,250.00	0.00	0.00	750.00	750.00
005	Kendra I. Michaels	4.00	4.00	1,400.00	1,400.00	0.00	0.00	350.00	350.00
006	Daniel H. Brady	0.00	0.00	0.00	0.00	0.00	17.00	0.00	0.00
007	Cheryl Bradley	14.75	14.75	2,655.00	2,655.00	0.00	0.00	180.00	180.00
008	Jennifer A. Noonan	6.25	6.25	1,562.50	1,562.50	0.00	0.00	250.00	250.00
010	Jimmy P. Praum	9.25	9.25	2,035.00	2,035.00	0.00	0.00	220.00	220.00
	<b>Subtotal</b>	<b>91.75</b>	<b>91.75</b>	<b>34,532.50</b>	<b>34,532.50</b>	<b>0.00</b>	<b>267.00</b>	<b>376.38</b>	<b>376.38</b>
<b>September</b>									
001	Michael L. Jensen	41.25	41.25	17,632.50	17,670.00	0.00	24,883.04	427.45	427.45
002	Paula Ann Martin	40.75	40.75	17,736.25	17,736.25	0.00	27,067.12	435.25	435.25
003	Ronald P. Anderson	20.00	20.00	7,310.00	7,310.00	0.00	5,411.98	365.50	365.50
004	Robert O. Burns	20.75	20.75	15,562.50	15,562.50	0.00	24,244.92	750.00	750.00
005	Kendra I. Michaels	7.25	7.25	2,537.50	2,537.50	0.00	1,041.33	350.00	350.00
006	Daniel H. Brady	10.05	10.05	1,666.00	1,666.00	0.00	2,017.57	165.77	165.77
007	Cheryl Bradley	22.25	22.25	4,005.00	4,005.00	0.00	6,760.81	180.00	180.00
008	Jennifer A. Noonan	17.30	17.30	4,205.00	4,205.00	0.00	9,332.75	243.06	243.06
009	Jason I. Masterson	11.25	11.25	3,937.50	3,937.50	0.00	5,206.64	350.00	350.00
010	Jimmy P. Praum	17.25	17.25	3,795.00	3,795.00	0.00	5,898.21	220.00	220.00
	<b>Subtotal</b>	<b>208.10</b>	<b>208.10</b>	<b>78,387.25</b>	<b>78,424.75</b>	<b>0.00</b>	<b>111,864.37</b>	<b>376.68</b>	<b>376.68</b>



10/01/2016 to 10/31/2016

		Billed Hours	Billed Amount	Write Offs	Current Amount Due
<b>GRAND TOTALS</b>					
1	Michael L. Jensen	50.83	18,156.60	0.00	18,216.78
2	Paula Ann Martin	37.30	13,692.50	0.00	7,266.98
3	Ronald P. Anderson	8.25	1,296.25	0.00	568.02
4	Robert O. Burns	18.20	13,650.00	0.00	4,765.74
5	Kendra I. Michaels	0.80	125.00	0.00	0.00
6	Daniel H. Brady	3.00	540.00	0.00	1,021.23
7	Cheryl Bradley	14.25	2,392.50	0.00	2,189.98
8	Jennifer A. Noonan	9.05	1,812.50	0.00	813.23
9	Jason I. Masterson	0.90	135.00	0.00	135.00
<b>Total Fees</b>		<b>142.58</b>	<b>51,800.35</b>	<b>0.00</b>	<b>34,976.96</b>
0	Miscellaneous		142.04	0.00	128.04
1	Phone		108.50	0.00	81.00
2	Photocopies/Faxes		90.00	0.00	52.65
<b>Total Expenses</b>			<b>340.54</b>	<b>0.00</b>	<b>261.69</b>
0	Miscellaneous		169.00	0.00	190.00
1	Filing Fees		225.00	0.00	75.00
2	Processor Fees		157.50	0.00	0.00
<b>Total Advances</b>			<b>551.50</b>	<b>0.00</b>	<b>265.00</b>
Finance Charge			22.26	0.00	0.00
<b>Totals</b>		<b>142.58</b>	<b>52,714.65</b>	<b>0.00</b>	<b>35,503.65</b>

## COLLECTIONS

Many law firms pay their attorneys based on the fees collected. This report is going to show all payments received and see how the cash in relates to the person who did the work.

Alumni Law Firm - Cash Payment Allocation Listing ALL DATES											
Date	Client #	Name	Payment #				Payment Applied to:				
Entry #	Matter #	Description	Inv #	Fee	Allocation	Fee Tot	Disb	Tax	Total		
		Cl Int Mat Int Resp Law Type		Lvyr							
	299 99238	Incorporation		AB		48.61					
		AC AC AC corp		RS		24.31					
Aug 25/2004	1	ABC Company	00016	38 AB		700.00	700.00	90.50	0.00	790.50	
	269 00100	General Matters									
		AB AB AB corp									
Aug 25/2004	3	Maxwell, Karen	00019	10 RS		0.00	372.50	0.00	0.00	372.50	
	323 00102	Slip and Fall		AB		342.73					
		RS RS RS lit		AC		29.77					
Aug 25/2004	3	Maxwell, Karen	00019	11 RS		681.05	1527.50	100.00	0.00	1627.50	
	323 00102	Slip and Fall		AB		408.63					
		RS RS RS lit		AC		437.82					
<b>Total Adjustments:</b>						<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>Total Payments and Adjustments:</b>						<b>17507.50</b>	<b>743.00</b>	<b>0.00</b>	<b>0.00</b>	<b>18250.50</b>	
*** Payment Allocation Listing - Summary by Fee Credit Lawyer ***											
				%	Fees	Disb		Tax	Total		
	AB	- Al Borczak		68.28	11954.51	588.00		0.00	12542.51		
	AC	- Adam Cobb		20.88	3655.11	55.00		0.00	3710.11		
	RS	- Robert Skinner		10.84	1897.88	100.00		0.00	1997.88		
	<b>Total:</b>				<b>17507.50</b>	<b>743.00</b>		<b>0.00</b>	<b>18250.50</b>		
*** Payment Allocation Listing - Summary by Responsible Lawyer ***											
				%	Fees	Disb		Tax	Total		
	AB	- Al Borczak		66.70	11677.50	588.00		0.00	12265.50		
	AC	- Adam Cobb		12.25	2145.00	55.00		0.00	2200.00		
	RS	- Robert Skinner		21.05	3685.00	100.00		0.00	3785.00		
	<b>Total:</b>				<b>17507.50</b>	<b>743.00</b>		<b>0.00</b>	<b>18250.50</b>		
*** Payment Allocation Listing - Summary by Client Introducing Lawyer ***											
				%	Fees	Disb		Tax	Total		
	AB	- Al Borczak		66.70	11677.50	588.00		0.00	12265.50		
	AC	- Adam Cobb		12.25	2145.00	55.00		0.00	2200.00		
	RS	- Robert Skinner		21.05	3685.00	100.00		0.00	3785.00		
	<b>Total:</b>				<b>17507.50</b>	<b>743.00</b>		<b>0.00</b>	<b>18250.50</b>		
*** Payment Allocation Listing - Summary by Matter Introducing Lawyer ***											
				%	Fees	Disb		Tax	Total		
	AB	- Al Borczak		66.70	11677.50	588.00		0.00	12265.50		
	AC	- Adam Cobb		12.25	2145.00	55.00		0.00	2200.00		
	RS	- Robert Skinner		21.05	3685.00	100.00		0.00	3785.00		
	<b>Total:</b>				<b>17507.50</b>	<b>743.00</b>		<b>0.00</b>	<b>18250.50</b>		
*** Payment Allocation Listing - Summary by Type of Law ***											
				%	Fees	Disb		Tax	Total		
	corp	- General Corporate		71.53	12522.50	593.00		0.00	13115.50		
	est	- Wills/Estates/Trusts		4.28	750.00	0.00		0.00	750.00		
	lit	- Litigation		16.76	2935.00	100.00		0.00	3035.00		
	mat	- Matrimonial/Family		3.14	550.00	50.00		0.00	600.00		
	re	- Real Estate		4.28	750.00	0.00		0.00	750.00		
	<b>Total:</b>				<b>17507.50</b>	<b>743.00</b>		<b>0.00</b>	<b>18250.50</b>		
Report Done						Line 65 to 120 [ Page 1 to 2 ]					

Done

Date: 11/28/2016

### Tab3 Detail Allocated Payments Report Jensen, Martin & Anderson, P.C.

Page: 1

Payments Allocated From 10/01/2016 Thru 11/28/2016

Pymt Date	Ref #	Stmt #	Pymt Amt	Allocated	Exp Tax	Expenses	Adv Tax	Advances	Fin Chg	Fee Tax	Fees
<b>Grand Totals</b>			169,568.22	169,568.22	0.00	813.03	0.00	436.50	552.99	0.00	167,765.70
					Miscellaneous	248.05	Miscellaneous	19.00	001 Michael L. Jensen		44,835.33
					Phone	396.38	Filing Fees	240.00	002 Paula Ann Martin		46,662.94
					Photocopies/Faxes	168.60	Processor Fees	177.50	003 Ronald P. Anderson		11,319.78
									004 Robert O. Burns		31,946.76
									005 Kendra I. Michaels		4,092.50
									006 Daniel H. Brady		2,309.77
									007 Cheryl Bradley		9,247.52
									008 Jennifer A. Noonan		7,583.60
									009 Jason I. Masterson		3,937.50
									010 Jimmy P. Praum		5,830.00

## FINANCIAL

Even if you don't want the gory details, it makes sense for you to look at a summary of your financial situation at least weekly. Here is a summary of what that can look like. In a nutshell you need to make sure that the cash you

have on hand and what is coming in are going to exceed what is going out. Not all of the software products will amalgamate this into one Cash Flow report for you, but here is a sample of what you may want to review.

	A	B
1	<b><u>Weekly Financial Status Report</u></b>	
2		
3	Cash on Hand	\$22,433.77
4	Accounts Receivable Total	
5	Current	\$41,225.77
6	30-60 Days	\$23,443.11
7	60-90 Days	\$10,763.34
8	Over 90 Days	\$8,349.08
9		
10	Payables due by next Friday	\$11,988.45
11	Payables due within 30 days	\$24,990.45
12		
13	Work In Progress (from last months billing cutoff)	\$125,987.43
14		
15	Bills sent month to date	\$52,222.67
16		
17	Cash in month to date	\$48,311.98
18	Cash In - Fees	\$41,876.09
19	Cash In - Costs	\$6,435.89
20		
21	Next Payroll Date	December 14, 2004
22	Approximate Amount	\$21,654.99
23		
24	Balance on Line of Credit	\$0.00
25		

#### CASH ON HAND

Gives you the balance in your cash accounts, not including trust.

#### ACCOUNTS RECEIVABLE

Lets you know what money is due to come in during the next 30 days and makes you aware of your old receivable balance.

#### PAYABLES

Your payables total plus your next payroll total together is the forecasted amount of cash you will need available.

#### WORK IN PROGRESS

Work-in-Progress (WIP) includes all time and fees that have not yet been billed.



## BILLING MONTH-TO-DATE

Gives you an idea of what bills have gone out from the first of the month to this report date, broken down by fees and costs.

## PAYROLL

Gives you the next payroll date plus the estimated amount for cash planning.

## BALANCE ON LOC (LINE OF CREDIT)

Here you can track any short term liabilities.

Keep in mind, this is just an example. You can include anything you want to see on this report. This is a good option for you if you do not want to see the details each week, you can get this on Fridays and then once or twice a month, get the reports that give you the detail to these numbers. Of course, if any number looks out of whack, you can request the detailed reports to support the numbers.

## YOUR FINANCIAL STATEMENTS

The discussion about your financial statements refers to 2 main reports. Your balance sheet and your income statement (aka Profit & Loss). Basically, your balance sheet should show what you own (your assets), what you owe (your liabilities), and any equity value you have in your law firm. Your income statement is going to show total income minus total expenses giving you a net income. The balance sheet totals carry forward from year to year, while the income statement starts over each year. It is important to understand that those two reports are very closely related. There is a line item on your balance sheet that is called "Net Income" or "Retained Earnings", and that number represents revenue less expenses. So any change you make to the income statement will affect the balance sheet. A trial balance is a consolidated financial statement that basically combines both the balance sheet and the income statement onto one report so that everything can be seen together.

Each transaction you make in your accounting system results in 2 or more equalizing entries, referred to as debits and credits. The debits and credits for any transaction must equal one another. As an example, if you write a check to pay your rent, the resulting transaction is a credit to cash (which is an asset, or something you own, therefore reported on your balance sheet) and a debit to the expense account called rent (which is an expense, and therefore reported on your income statement). If you review a balance sheet before that transaction, and then after, you will see that the cash balance changes and the net income changes. On the income statement, the total rent paid changes and the net income changes. Here is a little more detail on those 2 reports:

### BALANCE SHEET

A balance sheet is a snapshot of a your law firm's financial condition at a specific moment in time, usually at the close of an accounting period. A balance sheet comprises assets, liabilities, and owners' or stockholders' equity. Assets and liabilities are divided into short- and long-term obligations including cash accounts such as checking, money market, or government securities. At any given time, assets must equal liabilities plus owners' equity. An asset is anything the business owns that has monetary value. Liabilities are the claims of creditors against the assets of the business.

Balance sheets, along with income statements, are the most basic elements in providing financial reporting to potential lenders such as banks, investors, and vendors who are considering how much credit to grant the firm.

### ASSETS

Assets are subdivided into current and long-term assets to reflect the ease of liquidating each asset. Cash, for obvious reasons, is considered the most liquid of all assets. Long-term assets, such as real estate or machinery, are less likely to sell overnight or have the capability of being quickly converted into a current asset such as cash.

### CURRENT ASSETS

Current assets are any assets that can be easily converted into cash within one calendar year. Examples of current assets would be checking or money market accounts, accounts receivable, and notes receivable that are due within

one year's time. Although accounts receivable is a common thing to see on balance sheets, most law firms do not include that as a balance sheet item because they are run on a cash basis. Simply put, when you run your business on a cash basis, you do not count income until you receive the cash, so billing has no effect on accounting.

**Cash** – Money available immediately, such as in checking accounts, is the most liquid of all short-term assets.

**Notes Receivables** – Notes receivables that are due within one year are current assets. Notes that cannot be collected on within one year should be considered long-term assets.

#### FIXED ASSETS

Fixed assets include land, buildings, machinery, and vehicles that are used in connection with the business.

**Land** – Land is considered a fixed asset but, unlike other fixed assets, is not depreciated, because land is considered an asset that never wears out.

**Buildings** – Buildings are categorized as fixed assets and are depreciated over time.

**Office Equipment** – This includes office equipment such as copiers, printers, servers, computers, etc. used in your business.

**Vehicles** – This would include any vehicles used in your business.

**Total Fixed Assets** – This is the total dollar value of all fixed assets in your business, less any accumulated depreciation.

#### TOTAL ASSETS

This figure represents the total dollar value of both the short-term and long-term assets of your business.

#### LIABILITIES AND OWNERS' EQUITY

This includes all debts and obligations owed by the business to outside creditors, vendors, or banks that are payable within one year, plus the owners' equity. Often, this side of the balance sheet is simply referred to as "Liabilities." Again, because most law firms run on a cash basis, Accounts Payable will not appear on a balance sheet. Expenses are not counted as expenses until the bills are paid.

**Notes Payable** – This represents money owed on a short-term collection cycle of one year or less. It may include bank notes, mortgage obligations, or vehicle payments.

**Accrued Payroll and Withholding** – This includes any earned wages or withholdings that are owed to or for employees but have not yet been paid.

**Total Current Liabilities** – This is the sum total of all current liabilities owed to creditors that must be paid within a one-year time frame.

**Long-Term Liabilities** – These are any debts or obligations owed by the business that are due more than one year out from the current date.

**Owners' Equity** – Sometimes this is referred to as stockholders' equity. Owners' equity is made up of the initial investment in the business as well as any retained earnings that are reinvested in the business.

**Common Stock** – This is stock issued as part of the initial or later-stage investment in the business.

**Retained Earnings** – These are earnings reinvested in the business after the deduction of any distributions to shareholders, such as dividend payments.

## TOTAL LIABILITIES AND OWNERS' EQUITY

This comprises all debts and monies that are owed to outside creditors, vendors, or banks and the remaining monies that are owed to shareholders, including retained earnings reinvested in the business.

## INCOME STATEMENT

An income statement, otherwise known as a profit and loss statement, is a summary of a your firm's profit or loss during any one given period of time, such as a month, three months, or one year. The income statement records all revenues for a business during this given period, as well as the operating expenses for the business.

You use an income statement to track revenues and expenses so that you can determine the operating performance of your business over a period of time. Small business owners use these statements to find out what areas of their business are over budget or under budget. Specific items that are causing unexpected expenditures can be pinpointed, such as phone, fax, mail, or supply expenses. Income statements can also track dramatic increases in expense accounts or reductions in income accounts.

Income statements, along with balance sheets, are the most basic elements required by potential lenders, such as banks, investors, and vendors. They will use the financial reporting contained therein to determine credit limits.

## FEE REVENUE (ALSO KNOWN AS INCOME)

The revenue figure represents the amount of revenue generated by the business. Often times in a law firm, this is broken down by attorney or area of practice.

## OTHER REVENUE

This can include things like interest income, referral fees, and any other sources of income your firm has.

## OPERATING EXPENSES

These are the daily expenses incurred in the operation of your business. There are no right or wrong answers as far as expense categories. Your income statement is meant to be a management tool to help you make better business decisions. Therefore, you should track the expense categories that will help you to do exactly that. All accounting systems come with sample categories (called the Chart of Accounts) for you to begin with and then modify. Here are some sample categories you will see in all expense sections of an income statement.

**Salaries, Benefits and Employee Related Expenses** – These are the salaries, bonuses, payroll taxes, benefits, etc. paid to or on behalf of your employees, probably including yourself. Often, you will want to break this down in sub categories...such as attorneys, paralegals and support staff.

**Advertising/Marketing** – These represent all costs involved in creating and maintaining your brand, whether it be in print, web or elsewhere. This may include sponsorships and other rainmaking activities as well.

**Rent** – These are the fees incurred to rent or lease office or industrial space.

**Utilities** – These include costs for heating, air conditioning, electricity, gas, phone service, internet, cable, etc.

**Depreciation** – Depreciation is an annual expense that takes into account the loss in value of equipment used in your business. Examples of equipment that may be subject to depreciation includes copiers, computers, printers, and fax machines.

**Office Expenses** – These types of expenses may include insurance, office supplies, or cleaning services.

## TOTAL EXPENSES

This is a tabulation of all expenses incurred in running your business, exclusive of taxes or interest expense on interest income, if any.

## NET INCOME

This is the amount of money the business has earned after deducting expenses from revenue

## SUMMARY

Any decent time, billing & accounting system is going to have a wealth of information available to you in a myriad of reports. The key is to understand what you are looking at and what it means for the financial health of your firm. You don't need to be an accountant to understand the basics and be able to spot positive and negative trends, as this will allow you to know when you are doing well or when to take corrective action (before it is too late) to put you back on track.