

**May 2024**

**From the Desks of Your D.C. Bar Practice Management Advisors**



**Earning Your Flat Fee**

**by Kaitlin E. McGee**

One of the most common issues Dan and I encounter when we review lawyers' fee agreements concerns flat fees paid in advance and the clarity of how and when those fees are earned.

If you charge clients flat fees that they pay in advance, consider whether your fee agreement clearly answers the following questions:

- How do you earn the flat fee?
  - At the end of the representation?
  - Based on an hourly rate?
  - By completing specific tasks?
- Do you still send monthly invoices?
  - When are you able to transfer the invoiced amount from your trust account?  
Immediately? After a certain number of days?

If your fee agreement doesn't specify how and when you earn a flat fee paid in advance, **you are required to wait until the end of the representation to transfer the flat fee from your trust account to your operating account**, assuming you have earned the entire fee.

However, waiting until the case is over may not be practical for managing cash flow. While it is reasonable to earn portions of the fee as work is completed, you need to be clear and explain when and how you do that in your fee agreement. My favorite earning mechanism in a fee agreement was a chart. A chart with percentages for when the fee is earned could look something like this (example is a simple estate plan):

<b>Stage of Estate Planning</b>	<b>Percentage of Total Fee</b>	<b>Description</b>
Initial Consultation	15%	Discussion of client's goals, understanding family dynamics, and assets overview.
Drafting Basic Documents	40%	Preparation of documents, including a will, powers of attorney, and healthcare directives.
Review and Revisions	25%	Client review and feedback and making necessary changes.
Execution and Finalization	20%	Final meeting to sign all documents, instructing on proper storage and updating practices.

If you work in litigation, you might earn your fee based on stages of the case, the passage of time, or the hours you spend working on the case. For transactional cases, fees may be earned upon completing milestones. While the earning mechanism will vary depending on the scope of representation and specific details of the case, establishing a clear mechanism is essential to ensure that you are earning flat fees in compliance with the D.C. Rules of Professional Conduct and applicable case law.

If you would like Dan and me to review your fee agreement and provide feedback on the earning mechanism or the agreement overall, you may email us a copy of your agreement at [PMAS@dcbbar.org](mailto:PMAS@dcbbar.org). Our services are free and confidential.

Whether you are starting a firm from scratch or growing and managing an existing firm, PMAS has resources to help you create and meet your business goals. For courses and resources we

offer free to DC Bar members, visit our [website](#).

## AI for Law Firms

On **May 2**, dive into the practical realm of AI and its profound impact on everyday legal practice with our [Lunch and Learn](#) program, "**AI in Action: Practical Strategies for Everyday Law Firm Success.**" This program will focus on actionable strategies and real-world applications of AI, designed to streamline daily workflows, optimize efficiency, and create tangible results in your law firm. Learn how to harness the power of AI tools like ChatGPT and Descript to tackle common law firm challenges and enhance productivity. Delve into practical insights on crafting effective prompts for ChatGPT and addressing considerations surrounding ethics and confidentiality in AI utilization within the legal practice.

If you are using AI at your firm, let us know at [PMAS@dcbar.org](mailto:PMAS@dcbar.org).

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## Basic Training & Beyond

If you're starting a firm, Basic Training & Beyond is a great jumping-off point. Day One will teach you the essentials to get your firm off the ground, and Day Two will help you grow and manage your firm.

**Here is how to start, grow and manage a law firm in a large, urban market.**

Our monthly [Basic Training & Beyond](#) is set for **May 7 & 21, 2024 / 9:15 a.m. – 4:30 p.m.** We will meet in person in the Williamson Conference Room on the third floor of Bar Headquarters. The program is presented monthly for members and law firm staff.

*This program has been presented more than three hundred times for more than 4,000 lawyers over the last fifteen years, and many have launched and are now operating small firms. We stay connected with many small firms, and what we learn informs the content for this program.*

## Lunch and Learn

PMAS will also be collaborating with the [Law Practice Management Community](#) to bring you the following Lunch and Learn:

- **May 2, 2024** – AI in Action: Practical Strategies for Everyday Law Firm Success
- **May 16, 2024** – Set It and Forget It: LinkedIn for Busy Rainmakers

*An LPM & PMAS Production*

All programs begin at noon on Zoom. Register for any or all [here](#).

## Managing Money

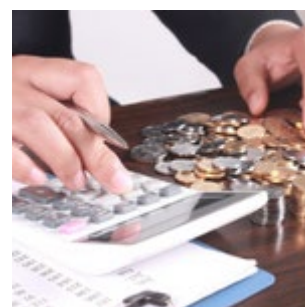
### Managing Money

**Monday, June 10 | 9:00 a.m. – 12:30 p.m.**

On June 10, learn how to onboard a new client by creating the appropriate fee agreement; make the proper entries onto the client ledger and trust account when needed; track the established earning mechanism; and make proper entries in the firm's operating or business account. Our next in-person session of Managing Money is set for **June 10, 2024, 9:00 a.m. – 12:30 p.m.**

We also present Managing Money on request for a law firm or organization.

[Register for an upcoming session or schedule a session for your firm here.](#)



## Successful Small Firm Course

***Are you interested in a business incubator approach to growing your law firm?***

Consider working with us on an individual basis. We now offer the **Successful Small Firm Practice Course** in a series of one-on-one sessions.

The course serves as an incubator for solo attorneys and small firms and helps them work

through their business and marketing plans with support, feedback, and guidance. Lawyers focus on the type of firm they want to create and work through the Course at their own pace with built-in accountability for achieving their business goals. If you are interested in this approach to creating and growing a law firm, contact [PMAS@dcbar.org](mailto:PMAS@dcbar.org).

## Networking

Come have a casual drink with fellow D.C. Bar members at our annual spring happy hour! D.C. Bar's Law Practice Management Community (LPM) and the D.C. Bar Practice Management Advisory Service (PMAS) will co-host a Spring happy hour on May 9, 2024 at 5:30 pm. The event will be held at Dirty Habit in downtown DC (555 8th St NW, Washington, DC 20004). LPM and PMAS welcome solos, small firms and ALL attorneys interested in law firm innovation and business growth to meet like-minded colleagues, network, and celebrate Spring in Washington. See you there!

## Resources

Our Video Resource Library is [here](#). New programs are added regularly. Our full archive of recordings and materials is [here](#). If you have an idea for a program, let us know at: [lunchandlearn@dcbar.org](mailto:lunchandlearn@dcbar.org).

**Missed any of these recent sessions? You can [access the recordings and materials anytime](#).**

Here's a glimpse of some recent sessions:

- **Financial Empowerment for Women in Law** with Niraj Chhabra and Jessica Medina
- **Team Building – When the Team is Remote** with Stephanie Everett
- **Hire.Acquire.Inspire – How to Build a Growing and Thriving Law Firm** with Ross Albers
- **Sneak Peek at the New Fastcase/vLex Generative AI Tool, Vincent AI** with Ed Walters
- **Lead Generation | How to Build a Steady Pipeline of New Clients** with Marketing Nice Guys

## More News from PMAS

Read our [Duly Noted](#) blog post on how to jumpstart your marketing.

[Contact us](#) if you are interested in a practice management assessment.

– Kaitlin & Dan

## In other news . . .

Here is the Lawyer Assistance Program [Dispatch](#) newsletter.

For the recent results of the groundbreaking study on attorney mental health and well-being, [click here](#).

Here is new ethics guidance on **Serving as Local Counsel for a Matter Being Litigated in a District of Columbia Court**: [Legal Ethics Opinion 387](#)

For more information on PMAS programs, [click here](#).

### **CLE, Communities Events & Pro Bono:**

*Continuing Legal Education* programs are [here](#).

*Communities Events* are [here](#).

*Pro Bono Center* training programs are scheduled [here](#).

As we return to D.C. Bar headquarters for meetings and events, everyone entering the building will need to comply with the [COVID Guidelines](#).

### **Our Practice Management Advisors are:**

Kaitlin E. McGee / [kmcgee@dcbar.org](mailto:kmcgee@dcbar.org) / [202-780-2764](tel:202-780-2764)

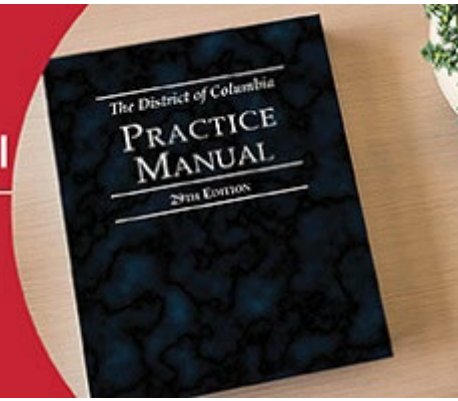
Daniel M. Mills / [dmills@dcbar.org](mailto:dmills@dcbar.org) / [202-780-2762](tel:202-780-2762)

Practice Management Advisors have a free and confidential relationship with D.C. Bar members pursuant to Rule 1.6(j) of the D.C. Rules of Professional Conduct.

**NOW UPDATED**

## District of Columbia Practice Manual

Every D.C. Lawyer's Must-Have Resource



This two-volume title, typically priced at \$495, is being offered to subscribers of this newsletter at a discounted rate of \$450. To obtain the discount code, please reach out to [communitiesregistration@dcbar.org](mailto:communitiesregistration@dcbar.org).



Serving our members so they can serve the community

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901 4th Street NW  
Washington, DC 20001 USA  
[202-737-4700](tel:202-737-4700)

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