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.
Updated February 2013

I. PLANNING/BUDGETING

- ☐ Review PMAP Starting Up pages at www.scbar.org/pmap
- ☐ 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
  - ☐ How much do you need to live for a year?
  - ☐ 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 Suggestions
  - ☐ Business Cards
  - ☐ Yellow Pages ads
  - ☐ Website – Keep information and vital data like phone numbers current. Do not offer your e-mail address unless you intend to check it regularly and are aware of potential conflicts of interest issues. Keep a photocopy of your webpage/ad in your files for 2 years per SCRPC 7.2.
  - ☐ Social media – Twitter, Facebook, LinkedIn
  - ☐ TV, radio, billboard
  - ☐ Office signage
  - ☐ Sign up for Lawyer Referral Service through the SC Bar (need to have experience)
  - ☐ Firm brochure – On web, printed or as a PDF.
  - ☐ Client newsletters
  - ☐ Join civic organizations and Bar sections and committees
  - ☐ Speak at CLE programs – You will reach a large number of people who may seek your services later. You can also receive free CLE credit for speaking at CLE seminars.
  - ☐ Update your personal information on file with the Bar to include your website.

**Remember to follow the Rules of Professional Conduct regarding advertising. Review Rules 7.1, 7.2, 7.3, and 7.4.

III. FORMS OF PRACTICE

- ☐ Considerations in Selecting Form of Practice
  - ☐ taxation
  - ☐ liability

- ☐ succession/dissolution
- ☐ Solo Practice
- ☐ Incorporate with SC Secretary of State www.scsos.com
  - ☐ 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, etc.)
  - ☐ 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

- ☐ Suggested you have enough cash or a line of credit 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 (forms at www.scbarfoundation.org)
- ☐ Business operating account for expenses/payroll
- ☐ Short term savings
- ☐ Safe deposit box at bank
- ☐ Firm credit card
- ☐ Investments
- ☐ Checks, deposit slips. Order different colors for operating account and trust account
- ☐ Set up law firm credit card merchant account (LawPay is endorsed by the SC Bar)
- ☐ Retirement plan

VIII. TECHNOLOGY

- ☐ Choose cloud or traditional software
- ☐ Choose cloud/hosted or traditional network

Software Suggestions:

- ☐ Backup or disk cloning software
- ☐ Calendaring and docketing
- ☐ Conflicts checking
- ☐ Case Management
- ☐ Document assembly
- ☐ E-mail
- ☐ Office Suite Software
- ☐ Other specialized or practice specific software
- ☐ PDF creator
- ☐ Presentation Software (such as PowerPoint)
- ☐ Spreadsheet
- ☐ Time and billing/accounting
- ☐ Virus protection for computers
- ☐ Voice Recognition for dictation
- ☐ Word processing
- ☐ **Review software options at www.scbar.org/pmap**
- ☐ **Review Bar Member Benefits: www.scbar.org/memberresources/memberbenefits.aspx**

Hardware:

- ☐ Choose Mac or PC
- ☐ Computers
- ☐ External drives for daily computer backups

- ☐ Printers
- ☐ Network hardware for office network
- ☐ Desktop scanner (scanning and for faxing) (Fujitsu ScanSnap is popular)
- ☐ Notebook computer
- ☐ Smart phone
- ☐ Dymo label printer www.dymo.com

IX. OFFICE EQUIPMENT/SERVICES/SUPPLIES

- ☐ Photocopier (lease with service, toner and supplies is optimal choice)
- ☐ High Volume Scanner
- ☐ Shredder
- ☐ Dictation equipment
- ☐ Internet Service Provider and high speed access
- ☐ Domain name and email address
- ☐ Telephones
- ☐ Answering machine, messaging system or answering service (Ruby Receptionist)
- ☐ Local and long distance carrier (phone co. or VOIP – voice over IP)
- ☐ Conference calling
- ☐ Music on hold
- ☐ Cell phone service
- ☐ Postage scale/mail equipment or Stamps.com
- ☐ 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 – Access to Casemaker is free for Bar members
- ☐ Purchase new or used law books
- ☐ Local law library (county court or law school)
- ☐ Internet research

XI. OFFICE SYSTEMS/PROCEDURES

- ☐ Accounting procedures
- ☐ Handling client funds
- ☐ Client relations policy
- ☐ Collection policy
- ☐ Design client bill format
- ☐ Develop office manual/operating procedures manual
- ☐ Docketing, calendaring, tickler system
- ☐ File organization
- ☐ Forms used in practice
- ☐ Messaging system
- ☐ Personnel policies/benefits

XII. INSURANCE PROTECTION

- ☐ Professional liability – list online at www.scbar.org/pmap under Starting Up/Insurance

- ☐ Workers' Compensation
- ☐ Health, Dental, Life and Disability Insurance (see www.scbar.org Member Benefits page)
- ☐ Auto Insurance for business use
- ☐ Property (liability, wind, fire, earthquake, etc.)
- ☐ Loss of valuable documents
- ☐ Business Interruption

XIII. PERSONNEL

- ☐ Legal Assistant/Paralegal
  - ☐ Consider Ruby Receptionist Answering Services www.callruby.com/scbar
  - ☐ Full-time, Part-time or Temporary
  - ☐ 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

- ☐ Provide Supreme Court with correct contact info: www.sccourts.org/AIS.
- ☐ Contact the SC Bar's Practice Management Assistance Program (PMAP) with any questions you have.
- ☐ Call or email Jill Rothstein, Legal Ethics Counsel, with ethical questions. jrothstein@scbar.org
- ☐ Join the SC Bar's Solo and Small Firm Section and email listserv for access to a network of other solo and small firm lawyers. www.scbar.org/solo Also, consider attending the SC Bar's Solo and Small Firm Conference held annually in September.
- ☐ Check out books from the Bar's Lending Library. www.scbar.org/pmap
- ☐ Obtain city or county business license for your office.
- ☐ Rent 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. Request the *Prepare* booklet from the Bar. prepare@scbar.org.
- ☐ Develop a plan for your illness, incapacity, or death.
- ☐ Find a backup lawyer to act in your place in emergencies.
- ☐ Join county bar association.
- ☐ Develop a network of other lawyers to call upon for advice and assistance.