Checklist for Starting a Practice in New York State

The New York State Bar Association created this list to be a starting point in your research if you are planning to start your own law practice in the State of New York. It is not all inclusive and many items may require research or consultation with another professional, such as a CPA. If you feel something is missing, or is included that should be omitted, give us your feedback at lpm@nysba.org and we will improve it for the next version.

I. Planning/Budgeting

- Review the new NY Rules of Professional Conduct (www.nysba.org/ethics)
- Write a marketing and business plan
  - Projection of gross receipts
  - Projection of overhead and expenses
  - Projection of net receipts
  - Cash flow projections
  - Projection of hours worked
  - Marketable experience
  - Setting fee to make a profit
    - Written fee agreements
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II. Marketing Plan/Practice Development

- Determine who, at least initially, would be your target clients
- Limit your areas of practice
- Consult books, CLE materials, and websites to determine what needs to be done to start a practice and whether you have the financial resources to do it.
- Advertising
- Yellow page ad
- Website
- TV, radio, billboard
- Office signage
- Sign up for Lawyer Referral Service
- Firm brochure
- Client newsletter
- Join civic organizations
- Produce community seminars
- Speak at CLE programs

III. Forms of Practice

Before starting to practice (or advertising your practice), you must choose an organizational structure for doing business: (1) sole practitioner, (2) limited liability partnership, (3) professional corporation, or (4) professional limited liability company (PLLC). Consult the services of a professional accountant to determine which organizational structure is best for your new firm.

IV. Office Space/Location Considerations

Office building
- Image, upscale, informal
- Square footage
- ADA considerations
- Parking
- Services, janitorial
- Expansion opportunities
- Renovation needs
- Guarantee/other terms required by landlord

Location

Office sharing

Renting, leasing

Purchasing/buy into a law practice

Working from home

Conspicuously post Statement of Clients' Rights in office (www.nysba.org)

Obtain general office liability insurance (may be required under office space lease) and ascertain other business insurance needs.

V. Accounting Needs

Discuss with accountant the tax consequences of various firm entities and financial planning

Set up accounting procedures

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 six months to one year of operating expenses plus personal living expenses

Sources of credit

- Local bank/Credit union
- Personal, business loan
- Home equity, home reference
- Line-of-credit to be drawn upon as needed
- Lease, equipment loans
- Family loans/private investor loans
- Personal savings

Develop revenue, expense, cash flow and capital expense budgets, including start up costs, deposits, etc.

Determine need for line of credit on firm credit card

VII. Bank Accounts

Trust account (separate account, see rules www.nysba.org/lpm)

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

Develop a procedure for handling advance payment of fees by clients

VIII. Technology

Software selection

- Word processing
- Time and billing/accounting
- Calendaring and docketing
- Conflicts checking
- Case management
- Document assembly
- Office Suite Software
  - Word processing
  - E-mail
  - Spreadsheet
  - Presentation software (such as PowerPoint)
  - Others
- Virus protection for computers
- Voice recognition
- Other specialized or practice specific software

Hardware

- Computers
  - Operating system
  - Off-premises 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
E-mail 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, artwork/office decorating needs
Office supplies, paper, envelopes, pens, staplers, file folders, etc.
Business cards, announcements
Order public information brochures from the Bar for clients
Advice Office of Court administration of firm name and address
Create office forms- new matter/new client, retainer, post matter evaluation forms, fax cover sheet, etc.
Determine need for on-line databases, library materials
Develop employee policies and handbook, if necessary

X. Library/Legal Research

Online legal research provider
Purchase new or used law books (keep the cost of supplements in mind)
Local law library
Law school library
Court libraries
Internet research
CD-ROM
CLE textbooks

XI. Office Systems/Procedures

Develop office manual/operating procedures manual
Standard procedures/policies for practice
Personnel policies/benefits
Implement a conflict checking program
Docketing, calendaring, tickler system
- Computerized (dual-system is highly recommended)
- Manual

File organization
- Alpha/numeric
- Centralized/decentralized
- Opening file procedures
- Closing file procedures/retention/storage/destruction
- Document maintenance
    - Offsite- safe deposit box
    - Computer backup
    - Fireproof files

Forms used in practice
- Client interview form
- Engagement/non-engagement letters
- Standardized client/new matter intake forms
- Written fee agreements
- Practice specific checklists
- Billing statement form
- General client correspondence, notices, etc.
- Client survey form after conclusion of representation
- Termination letters

Client billing procedures
- Regular monthly statements even if no amount is due
- Detailed time entries
- Expense billing (to be detailed in engagement letter)
    - Costs to be billed
    - Legal assistant time/paralegal time
    - Telephone expenses

        - Duplicating expenses
        - Computerized legal research
        - Mailing costs
        - Others
    - Collections 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
        - Open discussion about billing disputes
    - Accounting procedures
        - Bank account reconciliation
        - Cash flow statement
        - Accounts receivables/payables
            - Aging review
        - Expense approval system
        - Counter signature required on checks
        - Others

XII. Insurance Protection

- Malpractice insurance
    - Limits
    - Deductibles
    - Tail coverage/prior acts exclusion
- Workers' compensation
- Health plan
- Car insurance for business use
- Property (liability, wind, fire, earthquake, etc.)
- Loss of valuable documents
- Life insurance
- Business interruption

XIII. Personnel

- Legal Assistant/paralegal
    - Full-time
    - Part-time
    - Temporary

- Hours, flex-time
- Sharing personnel with other professionals while preserving client confidences and secrets
- Training

Employee benefits

- Vacation, holidays
- Sick leave
- Overtime policy
- Medical insurance
- Retirement plan
- Others

Secure I-9 forms, W-4, confidentiality agreement, employment applications, etc.

XIV. Miscellaneous

Order Post Office box (if needed)
Build a forms file
Become a Notary
Develop a disaster plan for your office, files, computer, etc. (www.nysba.org/businesscontinuity)
Develop a plan for you illness, incapacity or death (www.nysba.org/planningahead)
Join the New York State Bar Association, if not already a member (www.nysba.org)
Change address with the Office of Court Administration
Submit ethical questions to the New York State Bar Association (ethics@nysba.org)
Join a local bar association
Develop a network of other lawyers to call upon for assistance