

ASPEN COLLEGE SERIES

■ Laurel A. Vietzen

LAW OFFICE MANAGEMENT FOR PARALEGALS

THIRD EDITION



Wolters Kluwer

ASPEN COLLEGE SERIES

Law Office Management for Paralegals



Third Edition

Laurel A. Vietzen

Elgin Community College



Wolters Kluwer

Copyright © 2015 CCH Incorporated.

Published by Wolters Kluwer in New York.

Wolters Kluwer serves customers worldwide with CCH, Aspen Publishers, and Kluwer Law International products. (www.wolterskluwerlb.com)

No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopy, recording, or utilized by any information storage or retrieval system, without written permission from the publisher. For information about permissions or to request permissions online, visit us at www.wolterskluwerlb.com, or a written request may be faxed to our permissions department at 212-771-0803.

To contact Customer Service, e-mail customer.service@wolterskluwer.com, call 1-800-234-1660, fax 1-800-901-9075, or mail correspondence to:

Wolters Kluwer
Attn: Order Department
PO Box 990
Frederick, MD 21705

Printed in the United States of America.

2 3 4 5 6 7 8 9 0

ISBN 978-1-4548-5938-3

Library of Congress Control Number: 2015944530



Law Office Management for Paralegals



Third Edition

EDITORIAL ADVISORS

Deborah E. Bouchoux, Esq.
Georgetown University

Therese A. Cannon
Executive Vice President
Western Association of Schools and College
Accrediting Commission for Senior Colleges
and Universities

Katherine A. Currier
Chair, Department of Paralegal and Legal Studies
Elms College

Susan M. Sullivan
Director, Graduate Career Programs
University of San Diego

Laurel A. Vietzen
Professor Emeritus
Elgin Community College

About Wolters Kluwer Law & Business

Wolters Kluwer Law & Business is a leading global provider of intelligent information and digital solutions for legal and business professionals in key specialty areas, and respected educational resources for professors and law students. Wolters Kluwer Law & Business connects legal and business professionals as well as those in the education market with timely, specialized authoritative content and information-enabled solutions to support success through productivity, accuracy and mobility.

Serving customers worldwide, Wolters Kluwer Law & Business products include those under the Aspen Publishers, CCH, Kluwer Law International, Loislaw, ftwilliam.com and MediRegs family of products.

CCH products have been a trusted resource since 1913, and are highly regarded resources for legal, securities, antitrust and trade regulation, government contracting, banking, pension, payroll, employment and labor, and healthcare reimbursement and compliance professionals.

Aspen Publishers products provide essential information to attorneys, business professionals and law students. Written by preeminent authorities, the product line offers analytical and practical information in a range of specialty practice areas from securities law and intellectual property to mergers and acquisitions and pension/benefits. Aspen's trusted legal education resources provide professors and students with high-quality, up-to-date and effective resources for successful instruction and study in all areas of the law.

Kluwer Law International products provide the global business community with reliable international legal information in English. Legal practitioners, corporate counsel and business executives around the world rely on Kluwer Law journals, looseleafs, books, and electronic products for comprehensive information in many areas of international legal practice.

Loislaw is a comprehensive online legal research product providing legal content to law firm practitioners of various specializations. Loislaw provides attorneys with the ability to quickly and efficiently find the necessary legal information they need, when and where they need it, by facilitating access to primary law as well as state-specific law, records, forms and treatises.

ftwilliam.com offers employee benefits professionals the highest quality plan documents (retirement, welfare and non-qualified) and government forms (5500/PBGC, 1099 and IRS) software at highly competitive prices.

MediRegs products provide integrated health care compliance content and software solutions for professionals in healthcare, higher education and life sciences, including professionals in accounting, law and consulting.

Wolters Kluwer Law & Business, a division of Wolters Kluwer, is headquartered in New York. Wolters Kluwer is a market-leading global information services company focused on professionals.

Preface

In preparing to write this book, I experienced quite a bit of anxiety about what should be included in *Law Office Management for Paralegals*. As a lawyer since 1981 I know quite a bit about law offices; as a professor in the business division of a community college since 1989, I know a fair amount about management; as the coordinator of an ABA-approved paralegal program for 20 years, I know quite a bit about paralegals. But what is the essential combination of this knowledge and experience that should be taught in a law office management course? I started at the website of the American Association for Paralegal Education and found that the organization categorizes core paralegal competencies into nine classifications: Critical Thinking Skills; Organizational Skills; General Communications Skills; Legal Research Skills; Legal Writing Skills; Computer Skills, Interviewing and Investigation Skills; Knowledge of the Paralegal Profession and Ethical Obligations; and Law Office Management Skills. The description of Law Office Management Skills reads as follows:

Basic knowledge of the fundamentals of law office management and organization is essential to the entry-level paralegal. This knowledge can be presented through a stand-alone course or as part of the general program curriculum. Paralegal education programs should be able to demonstrate that their graduates can:

1. Identify and explain basic principles of management;
2. Explain issues relating to employment and promotion of paralegals;
3. Identify and describe the different types of law offices including organization, management and personnel structure;
4. Identify and explain the different management, administrative and support roles performed by lawyers and non-lawyers in the law office;
5. Describe law office billing practices, accounting systems and methods used for determining cost of legal services;
6. Understand administrative systems used in law practice, including client relation systems, conflict management, personnel, docket/calendaring systems, billing systems and risk management systems; and
7. Explain the role of technology in the management and administration of the law office.

Source: http://www.aafpe.org/p_about/core_comp.pdf.

I knew that my book could easily cover those essential seven competencies, but I thought it could do much more. I have studied paralegal program curriculum for years, in connection with developing the program I direct and in connection with visiting other programs seeking ABA approval or re-approval. I know that most paralegal programs have separate Legal Research and Legal Writing classes but many do not have separate classes in Critical Thinking, Organization, General Communication, Management Concepts, Computers and Technology, or Ethics. These skills are so important that they should be incorporated into every class and students should be able to identify and quantify what they are learning, not only to build their confidence, but to enable them to describe what distinguishes them from persons with no formal education in the field. I have, therefore, included assignments related to these competencies throughout the book. The assignments are crucial because they enable students and teachers alike to assess the students' learning.

Laurel A. Vietzen

July 2015

Acknowledgments

I would like to thank:

My student assistants, Brian Poshka and Amanda Przybycien,
Florida Bar Association, and
Clio and Tabs3 technical support.

Law Office Management for Paralegals



Third Edition

Summary of Contents

<i>Preface</i>	xix
1. Law Firm Structure and Regulation in the Legal Profession	1
2. About Technology	29
3. Law Office Communications: The Medium	61
4. Law Office Communications: The Message	89
5. Law Office Systems: Conflicts and Calendars	119
6. Law Office Accounting: Time and Billing	145
7. Law Office Accounting: It's a Business	171
8. Applying the Technology	195
9. Office and Equipment	217
10. Records Management	243
11. Employees	271
12. Personal and Professional Development	305
13. Attracting and Retaining Clients	329
<i>Index</i>	353

Contents

Preface

xix

1



Law Firm Structure and Regulation in the Legal Profession

A. Law Office . . . Management?	2
B. Front Office/Back Office	4
C. Regulation of the Practice of Law	4
D. Non-Lawyers and Regulation	6
E. Types of Law Offices	11
F. Classifications of Lawyers Within a Firm	12
G. Understanding the Chain of Command	17
H. Outsourcing	19
Out There—Paralegal Profile: Step by Step on the Ladder of Success	23
Chapter Review	24
Discussion Questions	24
Crossword	25
Terms and Definitions	26

2

About Technology

A. Your Computer: The Basics	32
1. Networks, Intranets, and Extranets	33
2. Backing Up	35
3. The Internet	36
4. E-Mail	39
5. Cloud Computing	40
B. Applications	41
1. Word Processing	41
2. PDF in Law Offices	43
3. Data Management	44
4. Presentation Software	46
C. Hardware	46
1. Printers, Fax Machines, Copiers, and Scanners	46
2. Cameras and Projectors	50
3. PDAs/Smartphones	51
D. Managing Changes in Technology	54
Out There—Paralegal Profile: The Spreadsheet that Launched a New Career?	55
Chapter Review	56
Discussion Questions	56
Crossword	57
Terms and Definitions	58

3



Law Office Communications: The Medium

A. Why Law Firms Must Control Use of Communications Equipment	62
B. Phones	64
1. Phone Equipment	68
2. Making Calls	69
3. Keeping Contacts	69
4. Cell Phones and PDAs	72
C. Faxes	73
1. Preventing Mistakes in Your Office	73
2. Responding to Mistakes by Other Offices	76
D. Incoming Mail	77
E. E-Mail	78
F. Loss of Communications Technology	81
Out There—Paralegal Profile: Moving Toward Your Dream Job	83
Chapter Review	84
Discussion Questions	84
Crossword	85
Terms and Definitions	86

4



Law Office Communications: The Message

A. Oral Communications	90
1. Can We Talk?	90
2. Location, Location, Location	91
3. Identifying Yourself and Your Position	92



4. Do Not Assume the Attorney's Role	92
5. Control the Conversation, But . . .	94
B. Written Communications	97
1. Unique Features	98
2. Need for Accuracy	98
3. Storing and Managing	103
4. Letters	103
Out There—Paralegal Profile: A “Word” with People Who Love Words	114
Chapter Review	115
Discussion Questions	115
Crossword	116
Terms and Definitions	117

5



Law Office Systems: Conflicts and Calendars

A. Why Are Tracking Systems Necessary?	120
B. What Is a Conflict of Interest?	122
1. Dealing with Conflicts	122
2. Identifying Conflicts	124
3. Employee Conflicts	124
4. Information from Clients and Potential Clients	126
5. Types of Systems	127
C. Docketing	132
1. Advantages of Automated Docketing	134
2. Attorney-Specific Programs	135
D. Software Packages	137
Out There—Paralegal Profile: The System for Success	140
Chapter Review	142

Discussion Questions	142
Crossword	143
Terms and Definitions	144

6



Law Office Accounting: Time and Billing

A. Law Firm as a Business	146
1. Ethical Issues	146
2. How Lawyers Are Paid for Their Work	147
3. Billing	161
4. Collecting	162
Out There—Paralegal Profile: Time and Billing	165
Chapter Review	166
Discussion Questions	166
Crossword	167
Terms and Definitions	168

7



Law Office Accounting: It's a Business

A. Accounting Functions	172
1. Basic Accounting Terminology	172
2. The Mechanics	176
B. Handling Client Funds	177
C. Spreadsheets and Dedicated Software	186
D. Paying Bills	187
Out There—Paralegal Profile: Low Tech to High Tech	191
Chapter Review	192

Discussion Questions	192
Crossword	193
Terms and Definitions	194

8



Applying the Technology

A. PDF Functions	196
1. Resources	197
2. Professor Laurel Creates a PDF Portfolio	197
B. Law Office Software	199
1. Resources	201
2. Practice	202
Out There — Paralegal Profile: The Importance of Technology	212
Chapter Review	213
Discussion Questions	213
Crossword	214

9



Office and Equipment

A. The Office	218
1. General Considerations	218
2. Safety Considerations	219
3. ADA Considerations	221
4. Design Considerations	224
5. Workplace Violence	225
6. Preparing for Emergencies	228

B. Equipment	230
1. Purchasing	231
2. Leasing	232
3. Going Green	232
C. Library	234
1. Library Resources	234
2. Firm Repository	236
Out There—Paralegal Profile: Law Libraries	238
Chapter Review	239
Discussion Questions	239
Crossword	240
Terms and Definitions	241

10



Records Management

A. Filing System	244
1. Paper Files	244
2. Electronic Files	250
B. Client Files	257
1. Opening New Client Files	257
2. Maintaining Files	258
3. Closing Files	262
C. Handling Evidence and Discovery	264
Out There—Paralegal Profile: A Perspective on Records Management	265
Chapter Review	266
Discussion Questions	266
Crossword	268
Terms and Definitions	269