

Accounting is Fundamental

The practice of law is an entrepreneurial profession, yet no one graduates law school with dreams of keeping the books. The larger the firm and more complex the practice, the more complicated the accounting and compliance requirements. Yet, managing a versatile accounting department is an expensive and time-consuming proposition for midsize law firms. 4L's managed accounting department model is an attractive alternative for law firms seeking the quintessential talent, best practices and technology commonplace at AmLaw 100 firms, scaled to midsize firm budgets.

Gone are the days when an accounting department's focus is merely transactional. Today's law firm accountants are required to classify, analyze, summarize, document, report, interpret and solve and explain complex accounting data. Done properly, it is a tall order requiring creative, innovative and strategic problem-solving skills. Law firms engage 4L both to handle their day-to-day accounting and to provide them the insight they require to understand their business.

Law firms supported by lean, sophisticated and tech-enabled accounting departments tend to be more productive, emerge more quickly from economic adversity, and their *lawyers spend less time on administrivia and more time lawyering*.

4L's law firm accounting practice includes:

► Internal Controls

- Maintaining
- Monitoring

► Accounts Payable

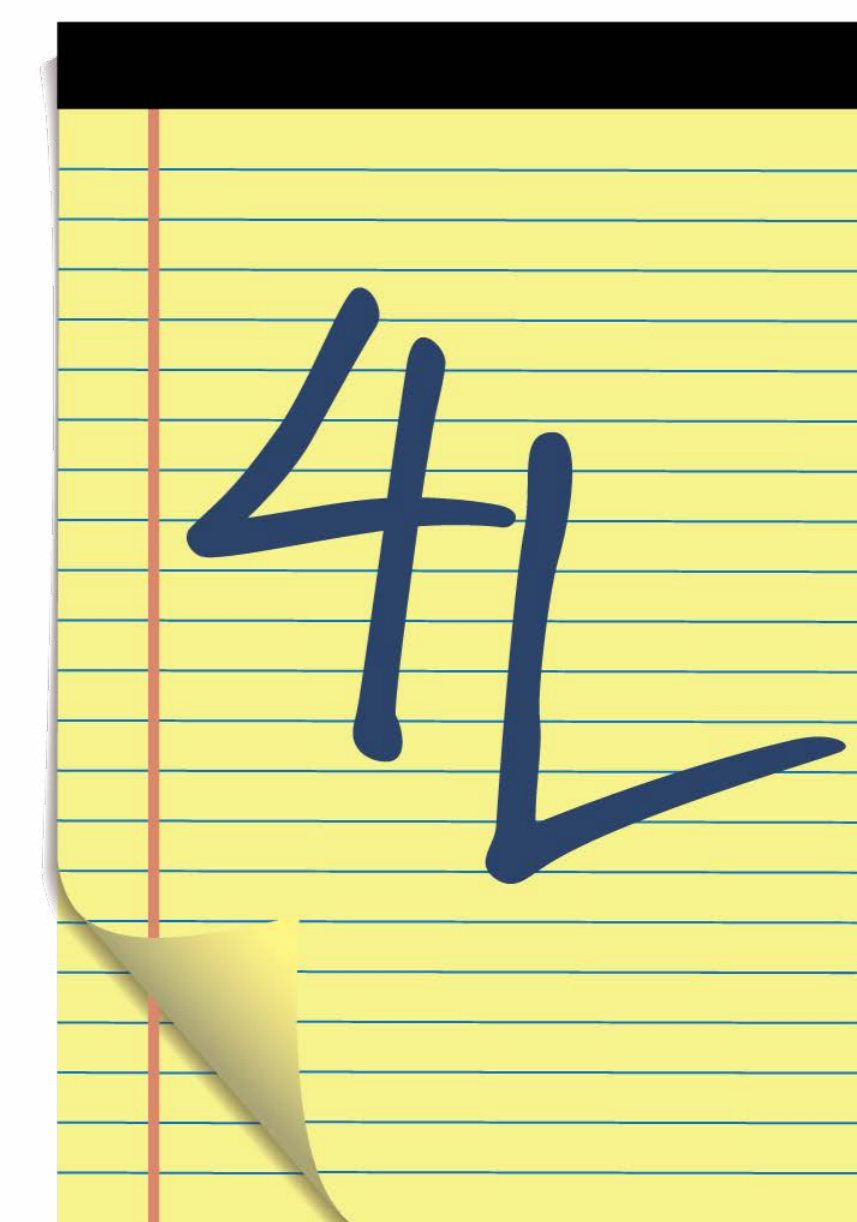
- Vendor file/W-9 setup and maintenance
- Vendor invoice processing
- Payment processing
- Expense reimbursement processing
- Credit card expense reconciliations

► Client Billing

- Client billing
- Client e-billing

► Accounts Receivable/Payment Processing

- Posting client payments and other financial transactions
- Credit card payment processing
- Processing of accounts receivable write-offs/adjustments



4L by the numbers
2024

ACCOUNTS PAYABLE & TRUST TRANSACTIONS:

321,841
transactions
\$814,501,272
payment totals

BANK ACCOUNT RECONCILIATIONS:

310
accounts
9,456
reconciliations

FINANCIAL & PRODUCTION REPORTS:

4,860
monthly financial statements
38,880
production (time; billing;
collections; realization; aging;
partner comp) reports

FORMS 1096/1099:
2,761

contact 4L at
info@4L-Law.com



▶ **Payroll Processing**

- Managing payroll for the law firm
 - Adding/removing employees as needed
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▶ **Month-end Procedures**

- Month-end close
 - Bank account reconciliations
 - Trust accounting and compliance
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▶ **Production Reporting and Metrics**

- Time and time value reporting
 - Client billing, billing adjustments and billing realization reporting
 - Client payments, collection adjustments and collection realization reporting
 - Aged unbilled fees, costs and expense reporting
 - Aged accounts receivable fees, costs and expense reporting
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▶ **Monthly Financial Reporting**

- Monthly and year-to-date income comparisons
 - Monthly and year-to-date income versus budget comparisons
 - Partner compensation reporting
 - Balance sheet
 - Cash flow statement
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▶ **Supplemental Reporting**

- Formula-based partner/association compensation calculations
 - Budgets and forecasting
 - Cash management
 - Billing rate analyses
 - Metrics and KPI reporting
 - Variance Analysis
 - Compensation Analyses
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▶ **Financial Analytics**

- Structured analytics review
 - Timely and concise summaries
 - Legal practice specific financial insight
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▶ **Tax-related Compliance**

- Accounting summaries for firm's tax preparer
 - 1099, 1096 and related informational return preparation
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