

Alternative vs. Traditional Billing

Traditional Billing

How do Lawyers traditionally charge for their services?

- Lawyers traditionally charge by “billable hour”. This means that all work completed on your case is tracked in 6-minute increments. These 6-minute increments are tallied up at the end of the month and an invoice is issued.

What is a retainer?

- A retainer is an initial lump sum payment designed to “reserve” a place in that Lawyer’s schedule of clients and begin the action. The billable hours used are credited against the retainer. For instance, if I am charging \$100/hour, collect a \$250 retainer and bill 2.7 hours in the first month, an invoice will be issued for the \$20 difference.

How do I know where my money is going each month?

- This practice issues a monthly invoice which details the activity for each block of billable time in itemized detail. If I show a charge for 6 minutes, I will show what I was doing for that period of time, such as “client call” or “court appearance”.

Alternative Billing

What is Alternative Billing?

- Some people feel uncomfortable with leaving open the amount of billable hours to be used on the case. They want more certainty in what the costs will be. In that case, some Lawyers offer a single lump-sum payment to cover all fees for the case. For instance, a no-child dissolution might cost \$1,000 in an alternative billing arrangement.

When I elect Alternative Billing, are there ever additional costs?

- There can be. For instance, if you are initiating the action then there are still filing fees and Sheriff’s fees to serve the paperwork. If you are involved in a case where there is neglect or abuse of a child, there may be Guardian Ad Litem fees. The Alternative Billing is intended to cover Attorney’s Fees only.

Do I save money with Alternative Billing?

- Some people do and some people don’t! Billable hours can vary greatly case by case depending upon how much investigation, client phone calls, frequency of Court dates, and Pretrial Motions are required.

When should I choose Alternative Billing?

- Alternative billing should not be chosen because the client feels it is cheaper in the long-run, because that is not always be the case. Alternative billing should be chosen when a client feels uncomfortable not knowing the full scope of the charges and would rather pay the entire sum up-front.