

THE NATIONAL LAW REVIEW

Billable Hours vs. Non-billable Hours and Expenses

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Timekeeping for an attorney seems to be a dreaded affair. Billable hours vs. non-billable hours is not something they go into at great length in law school, if they touch on it at all. But as the seasoned mavens will tell you, keeping track of all of your billable hours is important, especially if you [wish to be paid for all of your good lawyering and have a successful legal career](#). It's also important to log your hours as soon as possible. After all, no one wants to find themselves trying to remember what (s)he did nearly a month after having done it.

How many total hours in a year is a worthy goal? The average billable hours for an attorney range between [1,700 and 2,300](#) hours.

There have been a few numbers bandied about concerning non-billable hours and the poor comparison to billable hours (if you're counting non-billable hours) as a bad thing. It would seem more helpful to call your non-billable hours time investments, of course. At any rate, there seems to be a consensus that in real life, an attorney is only spending [less than three hours on billable work per day](#).

The difference between billable hours

There are a number of ways an attorney can clean this up and tighten the ship and the law firm's income. First, it's important to identify what constitutes billable hours vs. non-billable hours. Billable hours include all the time an attorney spends actually working on a matter or even thinking about a matter. It doesn't matter where you do your thinking, either.

Non-billable hours are hours that a law firm's client should not pay for. These include truly wise time investments such as continuing legal education, networking, and rainmaking, for example. Non-billable hours also include timekeeping (ouch), other administrative functions, and errands, for example.

Practice Management Software

As far as cleaning up non-billable hours, an attorney can either hire assistance or avail him/herself of technology. Both of these options allow for the more mundane tasks of lawyering to be handled by someone other than you, the attorney. Assistants and critical software are abundant. Your law firm would probably agree that the time you will then be able to apply to billable hours would more than take care of the costs of hiring someone or purchasing a practice management software package.

Expenses

A second area for which a law firm must charge clients are expenses generated by the law firm in handling a client's matter. Too often, receipts and hastily made spreadsheets get lost in the shuffle of trying to just get the work done. But this is an area where careful record-keeping will save your law firm quite a bit of money, once it's all added up.



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An article entitled "[How are Legal Fees Different than Expenses](#)" gives an excellent list of examples of chargeable expenses:

- **Copies and faxes.** Many law firms track the number of the copies and faxes and charge per page to the client's case. This is because some cases involve a large number of documents as well as staff time to make copies and send faxes.
- **Postage.** Standard postage costs are commonly charged to the client.
- **Courier fees.** If documents must be delivered by courier, these fees are charged to the client.
- **Expert or consultant fees.** Your case may require the expertise of another professional to best advocate for your position. In injury cases, these often include doctors, accident reconstructionists, and safety experts.
- **Filing fees.** Courts usually require a filing fee be paid prior to initiating a court procedure.
- **Court reporter costs.** If depositions are taken, a court reporter will generate a bill for his or her time and for copies of the deposition.
- **Witness subpoena fees.** Local laws usually require the party requesting a witness to pay a standard fee.
- **Service of process fees.** In order for the sheriff to serve the party with a lawsuit, a fee must be paid as well.
- **Long distance telephone charges.**
- **Travel expenses.** If the attorney or a member of his or her staff must travel to attend depositions or court hearings, mileage costs and hotel expenses are usually charged to the client.
- **Medical records.** Your case may require certified copies of medical records from the hospital or treating physicians. There is usually a cost in obtaining these.

Conclusion

To recap, while an attorney spends his days performing tasks that are usually critical to the success of the law firm, not all of his time is spent on work that is billable. Billable hours include those tasks where an attorney is working on an actual matter for a client. Non-billable hours include tasks that must be done but aren't directly attached to a matter, such as administrative tasks.

Along those same lines, some expenses can be fairly recouped from a client while others have to be eaten by the law firm. The goal is not to have profits nibbled away by non-recovered expenses that were never billed to the client.

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