

Costs of running a law practice

Startup Fixed		Startup Variable	Year 1
Computer	\$0-1200	Office Space	\$0-____
& extra power cord	\$50	Postage	\$0-____
Laser Printer	\$250	Phone	\$0-____
Scanner	w/printer	#Cloud Storage	\$0-____
Website	\$99/yr	*Client Software	\$0-____
Notary (3yr) +stamp	\$35-\$55	Financial Software	\$0-____
Fax	\$0-10/mo	Word Processing	\$0-____
Backup Software	\$5-60/yr	Legal Research	\$0-____
Business Cards	\$25-50/yr	+Memberships	\$0-____
Iowa Docs	Free Y1	^Office Expenses	\$0-____
Lawyer Fixed		Meals and Entertainment	\$0-____
Malpractice Insur.	\$750	Parking	\$0-____
CLE Fee	\$15	Credit card fees	\$10-____
License Fee	\$175	\$Banking fees	\$5-____
		CLE expense	\$0-____
		Checks	\$0-____
		Taxes	\$0-____

What costs can you exclude right away?

- Off-site storage
- Filing Cabinets
- Mail Meter
- IT server support
- Banker Boxes
- Space to store office supplies

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\$Banking fees: can use credit unions for operating account (lower fees)

Note for IOLTA Account

1. Must be authorized to do business in Iowa
2. Credit unions for IOLTA only to the extent that each client's funds are eligible for insurance **RULE 45.3**

+Memberships

- PCBA – free first year, can get all CLEs required through membership
- ISBA – free first year – free FastCase legal database
- Iowa Association of Justice – free first year
- Others?
- If not first year free – then ask!

*Client Software

- ✓ ABA Practice Management Software Comparison Chart
 - <http://www.americanbar.org/content/dam/aba/migrated/tech/ltrc/charts/pmtbchart.authcheckdam.pdf>
- ✓ Talk to other solo attorneys
- ✓ Hope's Choice – Practice in the Cloud
- ✓ Negotiate fees!!!!

^Office Expenses +reuse at end of case

Supplies	Save \$	Save \$\$	Save \$\$\$
Paper	Bulk (case)	Sam's Club, Costco	No mailings
Toner	Bulk (2/time)	Sam's Club, Costco	No mailings
Printer Drum	Buy a new printer?		No mailings
Pens, Legal Pads	Bring from home	Sam's Club, Costco	Electronic workflow

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Supplies	Save \$	Save \$\$	Save \$\$\$
Whiteout, staples,	Bring from home	Sam's Club, Costco	Electronic workflow
+Paperclips, +Binder clips	Bring from home	+Sam's Club, Costco	Electronic workflow
+File Folders	+Use old binders	+Sam's Club, Costco	Electronic workflow
+Trial Binders & Tabs	+Use old binders	+Binders only	

+reuse at end of case

Add On 6-24 months

- Adobe Pro (\$19.99)
- Stamps.com (\$9.99) – Hope's choice
- Microsoft 365 (\$150/yr)
- Quality scanner (\$400)

- Better computer (\$1200)
- Pay for car payment, gas, insurance and maintenance
- Pay for Health Insurance
- Iowa Support Master (divorce) – negotiate \$350.00 fee

Add on 2-5 years

- More comprehensive legal search database options
- Start legal research and legal writing library
- Book Keeper
- Certified Public Accountant
- Specialty legal memberships
- Virtual Assistant (\$200+/month)
- In-office assistant

- Professional memberships
 - Chamber of Commerce (some are in multiple)
 - BNI or BNI-type groups (non-legal professionals)
 - Young professional leadership groups
 - Junior League
 - Greater Des Moines Leadership Institut

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#Cloud Storage

- Google Drive (no word processing capability)
- Dropbox
- Box
- ShareFile by Citrix
- Microsoft Cloud
- WorldDox – comprehensive legal document sharing
- Others

Wikipedia.com

Cloud storage is a model of data storage where the digital data is stored in logical pools, the physical storage spans multiple servers (and often locations), and the physical environment is typically owned and managed by a hosting company. These cloud storage providers are responsible for keeping the data available and accessible, and the physical environment protected and running. People and organizations buy or lease storage capacity from the providers to store user, organization, or application data.

Cloud concerns

ABA -

http://www.americanbar.org/groups/departments_offices/legal_technology_resources/resources/charts_fyis/saas.html

Iowa Bar – Ethical Rule 32:1.6, comment 17

<http://205.209.45.153/iabar/ethics.nsf/e61beed77a215f6686256497004ce492/02566cb52c2192e28625791f00834cdb?OpenDocument>