

# Time Tracking Policy

Template for Law Firms

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<b>Firm Name:</b>	[Your Firm Name]
<b>Effective Date:</b>	[Date]
<b>Last Revised:</b>	[Date]
<b>Approved By:</b>	[Managing Partner / Administrator]

## 1. Purpose

Accurate, contemporaneous time tracking is the foundation of a healthy law practice. It directly impacts revenue, client trust, and ethical compliance. This policy establishes clear expectations for how all timekeepers record, review, and submit their billable and non-billable time.

This policy applies to all attorneys, paralegals, law clerks, and any other personnel who perform work on client matters or firm administrative tasks.

## 2. Contemporaneous Time Entry

Time must be recorded as it happens or as close to real-time as reasonably possible. Reconstructing time at the end of the day, week, or month leads to lost revenue, inaccurate billing, and potential ethical issues.

### Requirements:

- All time entries must be recorded on the same day the work is performed.
- Entries should be created within 15 minutes of completing a task whenever possible.
- End-of-day reconstruction is strongly discouraged. If unavoidable, notes must be taken throughout the day.
- Timekeepers who consistently fail to record time contemporaneously may be subject to corrective action.

*Tip: Use a timer or quick-capture tool to log time in real-time without interrupting your workflow.*

## 3. Billing Increments

The firm uses the following minimum billing increment:

<b>Billing Increment</b>	<b>[6 minutes / 0.1 hour]</b>
<b>Minimum Entry</b>	<b>[6 minutes / 0.1 hour]</b>

All time must be recorded in the increment specified above. Do not round up excessively. A 3-minute phone call recorded as 0.5 hours is an ethical violation in most jurisdictions.

## 4. Billable Hour Targets

The firm establishes the following minimum billable hour expectations. These targets are measured on a weekly basis and reviewed monthly.

<b>Role</b>	<b>Weekly Target</b>	<b>Annual Target</b>
Partners	<b>[30-35 hours]</b>	<b>[1,500-1,750 hours]</b>
Associates	<b>[35-40 hours]</b>	<b>[1,750-2,000 hours]</b>
Paralegals	<b>[30-35 hours]</b>	<b>[1,500-1,750 hours]</b>
Law Clerks	<b>[25-30 hours]</b>	<b>[1,250-1,500 hours]</b>

Weekly targets are calculated based on a 5-day workweek. Hours logged on weekends count toward the weekly total but are not expected.

*Customize the targets above based on your firm's size, practice area, and culture. Industry benchmarks range from 1,500 to 2,100 annual billable hours depending on market and firm type.*

## 5. Time Entry Descriptions

Every time entry must include a clear, specific description of the work performed. Vague entries erode client confidence and invite fee disputes.

### **Do:**

- "Drafted motion to compel production of financial documents (Jones v. Smith, Case No. 2026-CV-1234)"
- "Telephone conference with opposing counsel re: deposition scheduling and document production timeline"
- "Reviewed and revised partnership agreement, Sections 4.2 through 4.7, per client comments dated 3/15"

### **Do Not:**

- "Research" (research what? for whom?)

- "Phone call" (with whom? about what?)
- "Work on case" (meaningless)
- "Review documents" (which documents? what was the purpose?)

Descriptions should be detailed enough that a client reading the invoice understands exactly what was done and why. When in doubt, be more specific.

## 6. Non-Billable Time Tracking

Non-billable time must also be tracked. Understanding where non-billable hours go is critical for measuring utilization, identifying inefficiencies, and making informed staffing decisions.

### Categories of non-billable time to track:

- Firm administration and management
- Business development, networking, and marketing
- Continuing legal education (CLE) and training
- Pro bono work
- Internal meetings not attributable to a specific client
- Technology setup, troubleshooting, and maintenance
- Mentoring and supervision

The firm should create dedicated non-billable matter codes for each category above to enable accurate reporting.

## 7. Review and Approval Process

All time entries are subject to review before invoicing. The review process ensures accuracy, compliance with this policy, and alignment with client billing guidelines.

- **Daily self-review:** Each timekeeper should review their own entries at the end of every business day for accuracy and completeness.
- **Weekly supervisor review:** Supervising attorneys review associate and paralegal time weekly, flagging vague descriptions, missed time, or entries that appear inconsistent with assigned work.
- **Pre-billing review:** Before any invoice is generated, the responsible attorney must review and approve all entries on the matter. Entries may be adjusted, written down, or reclassified during this review.
- **Client billing guidelines:** Some clients impose specific billing requirements (block billing prohibitions, task-based billing codes, rate caps). Timekeepers must be aware of and comply with all applicable client guidelines.

## 8. Key Performance Metrics

The firm tracks the following metrics to evaluate time tracking health and overall practice performance:

Metric	Definition	Healthy Range
Utilization Rate	Billable hours / Available hours	55% - 80%
Realization Rate	Billed amount / Billable amount at standard rates	85% - 100%
Collection Rate	Collected amount / Billed amount	90% - 100%
Days to Bill	Average days from work performed to invoice sent	< 30 days
Days to Collect	Average days from invoice sent to payment received	< 60 days

These metrics should be reviewed monthly at minimum. Share results with timekeepers so they understand how their time tracking habits impact firm performance.

## 9. Common Pitfalls to Avoid

- **Block billing:** Lumping multiple tasks into a single time entry (e.g., 'Research, draft motion, review correspondence - 4.5 hrs'). Many courts and clients prohibit this. Record each task as a separate entry.
- **Stacking time:** Recording time worked on multiple matters simultaneously as full billable time on each. If you spend one hour in a conference call while reviewing documents for another matter, you have one hour to allocate, not two.
- **Padding entries:** Rounding up excessively or inflating time. Beyond being unethical, it damages client relationships and invites scrutiny.
- **Delayed entry:** Waiting until Friday to enter the whole week. Studies show that timekeepers who reconstruct time lose 10-30% of their billable hours. The revenue you think you're saving time on is the revenue you're losing.
- **Missing non-billable time:** Failing to track administrative, CLE, or business development time makes utilization rates meaningless and hides capacity problems.

## 10. Compliance and Enforcement

Compliance with this policy is mandatory for all timekeepers. The firm will monitor adherence through the following measures:

- Weekly review of time entry timeliness and completeness.

- Monthly utilization and realization reports shared with all timekeepers.
- Quarterly one-on-one reviews between timekeepers and their supervising attorney to discuss time tracking performance.
- Persistent non-compliance will result in progressive corrective action, beginning with verbal counseling and escalating to written warnings and potential impact on compensation decisions.

The goal is not punishment. It is building a culture where accurate time tracking is recognized as foundational to the firm's financial health, ethical standing, and ability to serve clients well.

## **11. Technology and Tools**

The firm provides time tracking software to make compliance with this policy as easy as possible. All timekeepers are expected to use the firm's designated software for all time entry.

- Use the firm's time tracking application for all billable and non-billable time entry.
- Mobile and desktop entry methods are both acceptable.
- Timers, voice dictation, and quick-capture features are encouraged to support real-time entry.
- Calendar integration should be enabled to capture appointments and meetings automatically.
- Do not track time in spreadsheets, paper logs, or personal note apps. All time must be entered in the firm's system of record.

## **12. Ethical Obligations**

Accurate time tracking is not just a business practice. It is an ethical obligation. The ABA Model Rules of Professional Conduct (Rule 1.5) require that legal fees be reasonable. State bar rules in every jurisdiction impose similar requirements.

- Billing for time not actually worked is fraud.
- Inflating time entries, even modestly, violates ethical rules and exposes the firm to disciplinary action, malpractice claims, and reputational harm.
- When in doubt about whether time is billable, discuss with your supervising attorney before recording it as billable.
- Timekeepers have an affirmative obligation to report suspected billing irregularities.

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## **Acknowledgment**

I have read, understand, and agree to comply with this Time Tracking Policy. I understand that failure to comply may result in corrective action.

**Timekeeper Name:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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*This template is provided as a starting point. Consult with your firm's managing partner or practice management advisor to customize it for your jurisdiction and practice areas.*

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