

Practice Resource

The Law Society
of British Columbia



Opening Your Law Office

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OPENING YOUR LAW OFFICE

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OPENING YOUR LAW OFFICE

Introduction

Success in running your own practice requires not only a tolerance for risk and pressure, but also rainmaking ability, self-confidence, leadership, organisational skills and an entrepreneurial personality. You need to take initiative, organise and manage resources, accept uncertain monetary profit, and innovate.

A small firm begins with many uncertainties, including unpredictable work demands, unsteady cash flow, possibility of illness, and a minimal client base. You will be faced with many demands on your time and a multitude of administrative details.

Anyone, lawyer or non-lawyer, who owns his or her own service business, must have a high tolerance for pressure. The owner-lawyer will be faced with multiple client demands, constant time limitations, conflicting court appearances, non-client professional demands, and personal needs, all of which create pressure. Work will not be placed on the lawyer's tray in well-reasoned and measured tidbits. You must look at yourself and measure your level of tolerance for such pressures. How flexible are you? Can you deal with long and irregular hours? Are you willing to make a commitment for which you bear ultimate responsibility?¹

In order to be successful, you must assess your own personal and professional situation, define the desired focus and direction of your practice, and have the commitment and desire to succeed on your own. Implementing a continuing strategic plan and following a clearly defined competitive strategy are essential. Developing practice management skills is crucial.

Starting your own firm is also an adventure that is exciting, challenging and rewarding. You will have variety, flexibility, control of your work and a tremendous feeling of pride in your new firm's every success.

This paper is not about whether you *should* hang out your shingle. This paper assumes that you have carefully considered your options and have decided that you want to open your own office. This is about the steps to follow and the decisions to make along the way.

You will find some of the points very simple, but sometimes the simplest tasks are overlooked in a new venture. Whether you are newly-called or a lawyer with many years of experience in a large firm, consider this paper a checklist of steps toward opening your office.

A. Preliminary Decisions

1. What will opening your office cost?

Consider Start-up Costs separately from Expenses as you make your plans. Start-up Costs are initial, one-time expenditures. Expenses or overhead are the cost of running your practice once you have begun. You should set aside — or make arrangements to have credit for — a sufficient amount of money for start-up costs, expenses and living expenses for at least the first six months, until you have a regular cash flow.

¹ Demetrios Dimitriou, "Deciding Whether to Be an Owner-Lawyer," in *The Lawyer's Handbook*, 3rd ed., Institute of Continuing Legal Education, Michigan, 1992, pp.12-13.

a. Start-up costs

You will require a capital sum before you begin, to pay for:

- equipment, furniture, and technology
- office supplies
- accounting and practice management systems
- space renovation and miscellaneous set-up costs, and
- introductory marketing

b. Expenses

Your ongoing expenses may include:

- rent and equipment leases
- interest on bank loans
- Law Society fees and insurance, continuing professional development
- accountants' fees
- staff salaries and benefits
- land line, cell telephone and wifi
- marketing
- postage
- office supplies and stationery
- equipment maintenance
- taxes
- professional and other insurance, and
- disbursements incurred on behalf of clients

2. Where will you practise?

If you are starting a practice, consider the type of community, lifestyle, other lawyers, potential clients and type of practice.

About half of all lawyers in British Columbia work in the Lower Mainland. Even there, however, small firm practices vary greatly depending on whether the practice is downtown or in the suburbs. Practice in a small town or a rural area is also quite different from an urban practice.

Wherever you decide to work, consider your life outside the office. Where will you find activities that suit your interests? Will your family be happy? Will your spouse/partner be able to find work? Do you want to live near your office? Are you prepared to commute?

How many lawyers are there already? In 2017 there were 11,900 practising members of the Law Society of British Columbia. Of these, 6,960 were practising on the Lower Mainland. CBA BC Branch publishes a [Lawyers Directory](#) that includes a geographic section listing all the lawyers practising in locations around the province, with their year of call. You could also call one or two lawyers practising in locations of interest to you to discuss what practice is like in their area. You might also call the local Benchers for information and advice.

Which type of practice interests you? There are many demands for expertise throughout the province—but will you be able to build a specialised practice in any area? Some locations may not be suitable for the kind of law that most interests you. On the other hand, you may find great opportunities to build a niche for your area of interest outside the major population centres.

Where are the clients? Do you know anyone in the area? Do you have family or friends who can introduce you to potential clients? If you are thinking of moving into a rural community, do you have interests in common with your potential clients? If you open in the middle of a city, do you have a source of clients who will be able to pick you out of the crowd?

A good source of information is BC STATS, www.bcstats.gov.bc.ca, the central statistical agency of the BC Government that maintains information both for and about small business. You can obtain financial profiles on over 500 BC industries, as well as census tabulations providing detailed demographic profiles for all areas of the province. The business register details the number of business establishments by employment size and industry for each regional district.

3. How will you practise?

You may choose to become a sole practitioner, form a partnership or choose to share space with other lawyers.

a. Sole practice

A sole practitioner should be self-reliant, able to market herself or himself to potential clients and be prepared to handle administrative details. If you despise administrative matters, you may not be happy as a sole practitioner. A sole practitioner must make myriad decisions prior to opening the office and every day afterwards. What practice management software will you choose? Should you hire new staff? What if the photocopier breaks down? How do you train the receptionist? What system do you need to track GST? Are you adequately supervising the bookkeeper? How will you arrange coverage when you will be away from the office?

The advantages of becoming a sole practitioner are:

- direct control of decision-making
- all profits to you
- work where and when you want
- more contact with clients
- no partner meetings, and
- flexibility

The disadvantages are:

- responsible for all administrative details
- lack of financial security
- no income-balancing with partners
- no one in your office to handle emergencies when you are absent
- isolation from other lawyers, and
- relatively high overhead for equipment

b. Partnership

Partnership could be a viable alternative to solo practice. Partners share responsibilities, expenses and profits. Even in a partnership of two, one partner could be designated as the managing partner, handling administrative matters and making day-to-day decisions.

You and your partner might have different friends and different interests, attracting different pools of clients. Partners could practise in different areas of law, or partners could focus on a single area of law and become a boutique practice in that area.

Partners might share the profits equally or according to another formula. They could also set billing quotas. Ask yourself if your proposed partner is adequately financed. Does your proposed partner have adequate collateral to satisfy the bank? If you are borrowing from the bank while building your practice, can you both pay your share of expenses?

If the partnership splits up, who moves and who stays in the space? Who will get the phone numbers and website? Discuss and clearly communicate personal expectations about the partnership. If your goal is to maintain a small firm, and your prospective partner's goal is to have the firm grow as rapidly as possible, it will not be long before you have problems.

If you decide to form a partnership, prepare a written partnership agreement clearly stating financial terms such as paying expenses, sharing profits and losses, capital contributions, withdrawal, sharing administrative duties, file storage, insurance, and paying out capital and income. Discuss the length and timing of vacations, the type of outside activities (such as politics) in which the partners may engage, and articulate your personal and professional goals.

The advantages of partnership are:

- shared financial risk
- continuity of cash flow on vacation or illness
- additional sources of capital and clients
- broader management base
- division of labour
- ability to discuss all files with your partner
- ability to provide clients with different areas of expertise, and
- sharing cost of equipment, associates and support staff

The disadvantages are:

- divided authority
- finding suitable partners
- conflict among partners
- liability for partners' actions, and
- less freedom to choose clients.

A related option would be to practise through a limited liability partnership. If you are considering an LLP, review and ensure you have complied with [Law Society Rules](#) 9-12 through 9-20 and Part 9 of the *Legal Profession Act*.

For more information on partnerships generally, see the [CBA Partnership Toolkit](#), and for an interesting take on solo / small firm partnerships, see [A New Way of Looking at Legal Partnerships](#).

c. Space-sharing

As a sole practitioner or as a partnership, consider the option of sharing space with other lawyers. When you first start out in your own practice, the overhead costs can be daunting, and sharing these expenses can mean a significant saving. Although there can be tremendous benefits to space-sharing, including sharing the expense of a receptionist, bookkeeper, photocopier, boardroom, library, phone system and computers, be careful to ensure client confidentiality and avoid conflicts of interest.

There are other, less obvious advantages to sharing space. You may share the burdens of administrative issues with others, like dealing with equipment suppliers. Do not underestimate the value of regular opportunities for discussion with colleagues. When there is a lawyer next door, you can benefit from having another point of view on difficult points of law or practice. You can also ensure you have coverage of your practice during your absences, assuming you have addressed conflicts and confidentiality issues. Other lawyers may be a good source of work as you each develop your client base.

Be careful to consider ethical and liability considerations when contemplating entering into a space-sharing arrangement with other lawyers.

The *Code of Professional Conduct for British Columbia* (“Code”) rule 3.4-43 sets out the requirements for lawyers sharing space. Lawyers must demonstrate that they are functioning as separate law firms in order to act for clients adverse in interest.

- 3.4-43** Unless all lawyers sharing space together agree that they will not act for clients adverse in interest to the client of any of the others, each lawyer who is sharing space must disclose in writing to all of the lawyer’s clients:
- (a) that an arrangement for sharing space exists,
 - (b) the identity of the lawyers who make up the firm acting for the client, and
 - (c) that lawyers sharing space with the firm are free to act for other clients who are adverse in interest to the client.

While there is no specific prohibition against a group that shares office space calling the practice, “A, B, C & D,” it is not recommended. If the name or letterhead of a law firm appears to hold out a partnership, and a third party has relied on that representation, lawyers may be accountable for the same liabilities as if they had been in a formal partnership.

Lawyers may avoid creating confusion by using separate names, stationery and business cards, and by listing themselves separately in directories. If space-sharers choose to use a group name, then they should advise clients, in writing, that there is no partnership arrangement.

Consider also how a space sharing arrangement might affect your professional liability insurance coverage. A sole practitioner who shares space with a lawyer who is being sued for negligence generally may be covered by the Law Society of BC’s captive insurance policy as an “apparent partner.” However, if the damages claimed are more than the Law Society policy, the excess insurer of the negligent lawyer may deny coverage under the excess policy to the space-sharer, if

the space-sharer was not identified on the application for excess insurance. Lawyers in a space-sharing arrangement should advise their excess insurance brokers of the arrangement so they can obtain proper excess insurance. Contact the [Lawyers Insurance Fund](#) for more information about insurance coverage.

Also, space-sharers may not be aware of or have any control over the business activities of other lawyers in the office. Nevertheless, all lawyers in the space-sharing arrangement may be sued as “apparent partners,” but may not have coverage under the Law Society’s captive insurance policy because of the business exclusion in the policy.

When forming a space-sharing arrangement with a lawyer with whom you have agreed you want to act for client adverse in interest consider:

- How will you ensure that your clients are aware there is no partnership?
- How will the telephone be answered and messages be taken?
- Which expenses will be shared, allocated and monitored?
- How will you make decisions about equipment and staff?
- Who will perform administrative duties?
- What is included in common amenities?
- Will each lawyer purchase his or her own supplies, and will they share precedents?
- Are guarantees on equipment leases required?

The advantages of space-sharing, assuming confidentiality and conflicts issues have been addressed, are:

- sharing overhead expenses, especially equipment
- sharing staff and administrative details
- collegiality
- coverage during absences, and
- possibility of referrals.

The disadvantages are:

- possible uncertainty by clients about your status
- potential liability for space-sharer’s errors
- potential conflicts and non-compliance with the Law Society Rules (“Rules”) and the *Code*
- potential instability
- lack of control over other tenants or associates.

For more detailed information on ethical issues in sharing space, and how to address potential conflict issues, see [Practice Resource - Lawyers Sharing Space](#).

4. How will you earn your income?

Of course you have no crystal ball. You cannot know whether you will be able to build a practice that will pay its way, or when. But you should have a plan, mapping out potential sources of work and setting goals for your practice.

Two traditional ways of obtaining work are through Legal Services Society referrals and the CBA BC’s [Lawyer Referral Service](#), which can be significant sources of clients in some practice areas and some locations. If you are considering developing an online presence to generate work, see the Law Society’s Model Policy on [Social Media and Social Networking](#).

B. Steps to Take Before Opening

1. Plan a budget

Without a budget, it is easy to overspend. Knowing how much your practice overhead will be will help you decide how much money you need to make, how much to charge and how much to borrow to get started. The bank will expect a budget proposal, a business plan, and personal financial statements as part of your application for financing. At the most basic level, your budget might include:

LAW PRACTICE PROPOSED BUDGET: YEAR ONE		
	Amount	Notes
Income		
Professional Fees	\$[]	
Expenses		
Accounting	\$[]	
Automobile Expenses	\$[]	
Bank Charges and Interest	\$[]	
Dues and Fees	\$[]	
Continuing Professional Development	\$[]	
Equipment Rental / Maintenance	\$[]	
Software	\$[]	
General Office	\$[]	
Insurance	\$[]	
Library / Subscriptions	\$[]	
Postage / Courier	\$[]	
Promotion	\$[]	
Rent / Property Taxes	\$[]	
Stationery / Supplies	\$[]	
Telephone / Wifi / Fax	\$[]	
Wages / Benefits	\$[]	
Total	\$[]	

You can download a precedent law firm budget from Ontario's [Practice Pro](#).

2. Prepare a business plan

A business plan should include:

- short- and long-term goals for your practice
- type of law you hope to practise
- kind of clients you hope to attract
- sources from which you expect to attract those clients, and
- expected time-frames within which you intend to achieve these goals.

Consider also how you will meet your own living expenses while your practice is getting established. For a precedent of a law firm business plan, see Ontario's [Practice Pro](#).

3. Arrange space

If you plan to take a bricks and mortar approach to practice, the nature of your practice will affect your space requirements. For example, a real estate practice, which requires more support staff and generates more paper than criminal practice, will require more space. A rough guideline is 400 to 600 square feet per lawyer, including 150 square feet for the lawyer, 150 to 200 square feet for an assistant, and 100 to 200 square feet for reception, photocopier, stationery and file storage.

Where should you look for space? Check the bulletin board in the lawyers' lounge at the courthouse, your local newspaper, the *Advocate* and online resources. Ask a real estate agent. If you have found a building in which you are interested, call the building's owner. Try contacting other lawyers who are tenants of the building, who may be interested in subletting a portion of their space to you. Note that it is problematic to share space with non-lawyers. For more detailed information on this issue, see [Practice Resource - Lawyers Sharing Space](#).

Consider these questions:

- Can clients find your office?
- Is the building easily accessible and is there an elevator?
- Is it on a bus route and is parking available?
- Will you be able to attract staff?
- Is there someplace nearby to have lunch?
- Is it near the courthouse and a bank?
- Are there other lawyers nearby?
- Can you control the thermostat for your own office, and is there HVAC outside office hours?
- Can you place a sign on the outside of the building as well as in the lobby?
- Does the space need renovation?
- What length of term is offered?

You may prefer to work out of a home office. Some areas of practice may be particularly well-suited to working at home and some clients will prefer the relative informality of a home office. Many small-business people have home offices, taking advantage of advances in office technology. And, if you are working part-time, the advantages of a home office are clear—no rent, little overhead, and a potential business deduction for a share of your home expenses.

Consider:

- the image you want to convey
- separation from personal space in the home
- preserving confidentiality of client files by not using a family computer for your practice
- safety of your family

Think about your short-term and long-term goals. Is working at home a short-term plan until you are established enough to afford a brick and mortar office? Does your image as a lawyer require certain surroundings? Can you work in the distractions of your home? Do you need a business license if you will be seeing clients in your home?

Walk through your home as if you were a client. Is the office close to the entrance, is it well-defined physically, does it look professional, and is it secure and quiet? Consider renting a different space in which to meet your clients, while doing the rest of your work from your home.

The primary advantage to setting up your business out of your home is that the overhead may be lower (and the commute will certainly be shorter). You could also meet family responsibilities while practising law. If you intend to blend child care with practice, think about issues like noise from other parts of the house. Consider installing solid core doors, for example, and making family rules about telephone lines and privacy.

Check whether your local zoning regulations permit you to operate a business from your home, and obtain a business license. There may be sign restrictions, business telephone restrictions, or parking restrictions in your area. Check with your local authority before making any decisions.

If you do decide to be a sole practitioner in a home office, be sure to meet regularly with other lawyers in a setting in which you can exchange ideas and information. Consider joining [CBABC's SoloLink](#), which provides a forum for practitioners who are in a sole practice, small firm, or in-house counsel setting to pose questions, offer advice, and share information with other lawyers. SoloLink also provides access to practice resources on substantive or procedural legal matters, office management, general practice, and other topics.

Instead of choosing a physical location for your practice, you might envision operating entirely online. This option is still in its infancy in Canada, but be sure to check carefully the *Legal Profession Act* ("Act"), the Rules and the *Code* before taking any steps in this direction. Also see the [Practice Resource - Cloud Computing Checklist](#).

4. Find an accountant

To find an accountant, ask your colleagues at your former firm or principal. It is important to find an accountant who is familiar with lawyers' offices, since the Law Society's trust accounting requirements are so specific. The accountant should have experience in monthly trust reconciliations and complying with the detailed rules on trust accounting. See the Law Society's [Trust Accounting Handbook](#), [Trust Accounting Resources site](#), and the accounting modules of the [Practice Management Course](#) for a more detailed description of Law Society accounting requirements.

Ask the accountant what it will cost to prepare your year-end financial statements and tax returns. Seek the accountant's advice about which accounting system you should use and how to set up the system.

Discuss with your accountant whether you should practise as a law corporation. The *Act* allows a law corporation to carry on the business of providing legal services to the public through one or more persons, each of whom is a member of the Law Society. You must first obtain the consent of the Law Society to the proposed name, and after the company is incorporated, apply to the Law Society for a corporate permit. For information about the procedure for setting up the law corporation, see the Law Society's [website](#).

Under the *Income Tax Act*, tax advantages may be available in certain circumstances to an individual who derives income through a corporation rather than directly from a law practice operated in his or her name. A law corporation may pay tax at a preferential rate, and incorporation may be beneficial for income deferral for tax purposes, income-splitting and using the capital gains exemption, although this latter benefit has been severely restricted. Be sure to consult with a tax expert before deciding to incorporate, as

taxation rules are complex and subject to change. Note that incorporation does not protect you from claims of solicitor's negligence.

You could lease the space through a management company to protect tangible assets of the law practice, such as computers and furniture, from the claims of potential creditors of the practice, and to split income with low tax rate family members. Consult your accountant about whether incorporating a management company would be beneficial to you. If you intend to incorporate, apply to the Law Society for approval of the corporate name (Part 9 Division 1 of the Law Society Rules).

5. Choose your firm's name

Your firm name must not mislead or communicate false impressions to clients or the general public. While *Code* rule 4.2-8 states that only members in good standing may be included on firm letterhead (with exceptions who must be specifically described), there is no rule that limits the firm's name to the surname of a sole proprietor or partner. You may give your firm a name such as "The XYZ Street Law Group," as long as the name does not offend the rule. Before deciding on a name, review the Ethics Committee's decisions on [appropriate names for law firms](#).

6. Obtain financing

Unless you have your own source of funds, you must obtain financing to open and run your office. You have prepared a budget and a business plan, looked at space, and met with an accountant, and now you are prepared to approach potential lenders.

Bear in mind that you will need at least two bank accounts: a general account and a trust account. The general account is your account for money belonging to your practice, and the trust account is for money belonging to your clients. Your choice of lender may have a significant impact on where you place your accounts.

You may borrow from any lender you choose, including a bank, trust company, credit union or your family. Note *Code* rule 3.4-31, which prohibits borrowing money from a client unless certain requirements are met. You may place a general account with any bank, trust company or credit union. However, your lender will usually expect your general account to be kept at the lending institution. You must place your trust account, on the other hand, only in a designated savings institution (see Rule 3-56 of the [Law Society Rules](#)).

For the sake of convenience, you may wish to choose as your lender a designated savings institution, so that you can keep all your accounts in the same place. Especially when you are starting a practice, and if you have part-time or no staff, you will find it less time-consuming to do all of your banking in one place. Consider whether the institution may be a source of business for you. Establishing a relationship with the loans officer or manager may help avoid administrative issues with trust accounts in the future.

Financing will likely include a loan at a fixed or variable rate to pay for start-up costs, and a line of credit at a percentage over prime rate to cover your monthly operating expenses. The lender will expect you to provide, in addition to your budget proposal, a statement of your assets and liabilities. If you have no assets, the lender may require a guarantor before agreeing to lend you any money.

7. Secure space

Once you have obtained financing, and you have decided on a bricks and mortar practice outside of your home, you can negotiate a lease for your space. When negotiating, consider:

- What is the difference between net and gross rent per foot?
- What services will the landlord provide with the space?
- Will the landlord provide a renovation allowance?
- How many parking spaces are included?
- What security is provided and during what hours?
- What arrangements must be made for evening and weekend access?
- Is an option available for additional space?
- What is the condition of the carpet and walls, and will the landlord pay for cleaning?
- Where are telephone, electrical and computer outlets located and will the landlord pay to move them?
- How long is the lease and is there an option to renew?
- What quality and frequency of building maintenance is provided?
- Is your office included in building maintenance?
- Are the partition walls sufficient for privacy?

8. Consider the Code of Professional Conduct

You may be offered space in a client's premises, or a landlord may want to arrange referrals between you for some kinds of business. Exercise great caution when considering potential referrals from your landlord, or from any subtenants, if there is any potential impact on rent due to referrals.

Code rule 3.6-7 says "A lawyer must not: directly or indirectly share, split or divide his or her fees with any person other than another lawyer; or give any financial or other reward for the referral of clients or client matters to any person other than another lawyer." Commentary [1][b] makes such arrangements difficult to manage because of confidentiality obligations.

A client may offer you rental or use of an office, perhaps with secretarial time or receptionist services. Review *Code* rule 3.4-26.1 and exercise caution.

Code rule 6.1-1 says that "A lawyer has complete professional responsibility for all business entrusted to him or her and must directly supervise staff and assistants to whom the lawyer delegates particular tasks and functions."

This may mean, for example, if you wish to contract with a client to be in-house counsel for part of the week, you may not be able to carry on a private practice in that client's office. You must ensure client confidentiality. See the Law Society's [*Practice Resource – Lawyers Sharing Space*](#).

9. Communications

Reserve your office telephone number immediately and arrange for installation before you open. If you expect to have a busy practice immediately, you may want to install a cost recovery or client attribution system.

When you speak with the telephone company representative, ask about monthly charges and available services and bundles. While you are thinking about the telephone, consider how it will be answered. If you will not have full-time staff, consider voice mail to maintain communication and credibility with existing and prospective clients.

You will need e-mail and wifi to communicate with clients, government registries, and court services, to file documents, and for legal and general research. You are required to provide an email address to the Law Society.

Before you decide about print or online advertising, be sure your proposed ad complies with the marketing and advertising rules in Chapter 4 of the *Code*.

10. Notify the Law Society

You must notify the Law Society of your intention to open your firm by way of the [Request Form: Change of Contact Information](#). This form starts the administrative process for creating your firm profile and setting your firm requirements, such as your trust filing. Send your form well in advance of the opening of your new firm, as processing times can take up to three weeks. If you are operating your firm from your home, it would be best to speak to a Member Services Representative about Rule 2-11 and publication of your address on Lawyer Lookup.

If you have previously been an employee at a law firm, remember that you are now responsible for paying your own practice and insurance fees in December and June. For information, contact [Member Services](#) at the Law Society.

11. Obtain insurance

You will need two types of insurance: professional liability insurance and everything else. In order to practise in British Columbia, you will pay fees to the Law Society for [Lawyer Insurance Fund](#) compulsory professional liability insurance, which provides \$1,000,000 insurance for every lawyer. In addition, consider obtaining excess liability insurance. Information about obtaining excess insurance is available on the Law Society's [website](#). In addition to professional liability insurance, consider having a tenant's policy, disability insurance, business interruption, employee theft, various forms of fraud, cyber liability, and important papers insurance. See the Law Society's [website](#) on other kinds of insurance to consider and an article from the CBA on [Insurance Planning](#).

12. Registrations

You may need to obtain a local business licence, and pay a small fee to your local licensing authority. If you are located in an incorporated municipality, obtain a business licence from the municipal business licence office. If you intend to practise out of a space not previously used for professional offices, check with the municipality. If you locate in an unincorporated area, check with the regional district to ensure conformity with zoning regulations.

You do not need to register your business in BC if you operate as a sole proprietor in your own name. If you are going to operate under a business name as a sole proprietorship, partnership, limited partnership or limited company, you must register with the provincial Registrar of Companies through the [One Stop BC Business Registry](#).

You will also need to register your practice with other provincial and federal government departments. Canada Revenue Agency requires a new business to open a corporate income tax account, and register for GST and payroll remittances. Provincially, you will have to register a general partnership, with Worksafe BC, and with the Ministry of Finance to collect and remit Provincial Sales Tax.

13. Bank accounts

When you open your general and pooled trust account, your bank, trust company or credit union will provide you with a deposit book to keep a record of your deposits. You may receive some cheques from your bank to begin with, but you will need to order cheques for your firm. When you choose your accounting system, consider whether you will need specific forms of cheques and deposit slips. Consider ordering different coloured cheques for your pooled trust account and your general account to minimize the chance of you writing a cheque on the wrong account. It is also good to keep in mind that some banks have policies in place with respect to holds on trust cheques and bank drafts, which can create problems for lawyers and their clients. Discuss this issue early with your bank and see what you can do to expedite clearance of trust cheques in the future.

Discuss with your bank the format of monthly bank statements. On receipt of the statement, check off the cleared cheques against those written for the month, and review deposits against those recorded in your deposit book. You should review the monthly statements and cancelled cheques and not leave sole responsibility for this task to a staff person. For detailed instructions on how to do a trust reconciliation, see the Law Society's [website](#).

When you arrange to open your pooled trust account, provide the bank, credit union or trust company with a letter directing it to pay all interest from your pooled trust accounts to the BC Law Foundation, as required by the Rules. A sample letter of instructions to a financial institution is on the Law Society's [website](#).

14. Outfit your office

The next step is to purchase, lease, borrow or arrange access to equipment and furniture. If you sublet from an existing firm, you may be able to negotiate access to major equipment as part of the rent. Furniture stores, auction houses, online sites and liquidators may carry office furniture and equipment at substantial savings. Here are some items you will need to outfit your office:

- telephone system
- computers
- office management software, including accounting, time-keeping, conflict checks, bring forward systems, and task lists
- photocopier—there is a wide range of options, and the cost varies enormously. Your decision will depend partly on how many copies you make each month, and the features you need in your practice. Many options are available, including copier-printers that can also fax and scan documents to create electronic files.
- printer
- postage meter

15. Hire Staff

Before you open your office, consider whether you want to start out without an assistant or will advertise and hire right away. If you are moving your practice from a large firm, ask whether your

current assistant is willing to move with you and understands the job requirements. If you consider bringing staff with you, see *Code* rule 3.4-23 about ensuring confidentiality while transferring between firms.

In a small firm, assistants will do administrative work that they may never have done in large firms. Your assistant should be prepared to deal with suppliers, bookkeeping, photocopying, banking, and postage. For some employees who have not performed these functions previously, this new role may be interesting. Others may find it difficult to take on less interesting duties than their former responsibilities.

When you are considering the work that staff—or you—will be doing, do not practise false economy. If you begin by doing your own administrative work, plan to re-examine whether your time is well-spent carrying out these tasks, and when it is time to delegate.

When you plan your budget, remember you must pay employment insurance premiums, Canadian Pension Plan contributions, and Workers' Compensation premiums. Plan also to provide vacation replacements. See the [Practice Management Course](#) for further information.

16. Marketing

Opening your office is a very good time to send announcements to everybody you know. Before you make your marketing plan, review [Chapter 4](#) of the *Code* for the rules on marketing of legal services. *Code* chapter 4 outlines the requirements for appropriate marketing and advertising.

Tell everyone you know that you will be opening your office. Plan an opening party. Let your prospective neighbours know about you and invite them to the opening party. Take your bank manager for lunch and invite him or her to the opening. Consider a website as a marketing option.

Join sections of the [CBA BC Branch](#) and attend the meetings. Especially if you are starting in practice, get to know as many lawyers as possible. Most lawyers from time to time refer out files that fall outside their area of expertise, offer low compensation or present a conflict. As you establish yourself, you will obtain files from other lawyers. It is important to remember, however, that when a client who has been referred to you by another lawyer for a single matter asks you to handle additional matters, you should decline, and advise that client to go back to the referring lawyer.

Place your name on the CBA BC's [Lawyer Referral Service](#) list and contact the Legal Services Society office in your area if you would like to do legal aid work.

C. Organise Your Office before Opening the Doors

1. Set up your systems

Look for software systems that integrate:

- a) **Filing** – of information, people, schedules, communications, and documents on your client files. Refer to [Law Society Rules](#) 10-3 and 10-4 regarding filing security requirements.
- b) **Bring-forward system** – (also called a Limitation System, Calendaring System, Diary System or Reminder System), which is crucial to the proper operation of your practice. If your main bring-

forward system is computerised, you should also use a secondary manual system like your desk or pocket diary, your assistant's diary or both. If your main bring-forward system is not computerised, use an index card system as your main system, and again use your desk or pocket diary as the second system.

Many well-organised offices use three reminder systems, having some combination of the systems referred to here, and in addition, a central office calendar either computerised or manual.

c) **Conflicts system**

d) **Time-keeping system**

e) **Accounting system**

Once you have met with your accountant and chosen your accounting system, you will also need:

- Deposit books
- Cheque books
- Ledger cards
- Client cards
- Cash receipt book of duplicate receipts under Law Society Rule 3-70
- Disbursement books.

See the [Practice Management Course](#) for more information on organizing your practice.

2. **Comply with government requirements**

See the [Practice Management Course](#) learning modules on:

- Taxation and Employee Deductions
- Provincial Sales Tax
- Goods and Services Tax

3. **Train your staff and service providers**

Under *Code* rule 6.1, you are responsible for training and supervising your staff and service providers, and under rule 3.4-23 you have an obligation to exercise due diligence over non-lawyer staff and service providers..

D. Where to Find Help

Here are some resources to assist you in setting up your practice:

Local Resources

- Law Society of BC website – [Support and Resources for Lawyers](#), [Practice Advice Frequently Asked Questions](#), [BC Legal Profession Act](#), [Law Society Rules and Code of Professional Conduct](#)
- Law Society Practice Advisors (604) 443-5797, toll free 1-800-903-5300 or practiceadvice@lsbc.org
- Canadian Bar Association, BC Branch:
 - Practice Advisory Panels—lawyers around the province assist other lawyers with questions about specific areas of law (604) 687-3404, or go to www.cbabc.org.
 - The [General Practice, Solo and Small Firm Section](#) of the CBA BC meets regularly.
- Continuing Legal Education Society of British Columbia offers law office management courses, webinars and materials 1-800-663-0437, or go to www.cle.bc.ca.

Perhaps the best source of help when you are planning to open your own office is other lawyers who have set up their own firm. Many lawyers are willing and happy to tell you about their experiences, and they could be a valuable source of practical advice as you start your own venture.

Suggested reading list

- [Going Solo: Making the Jump](#), Canadian Bar Association 2014.
- [Going it Alone—A Start up Guide for the Sole Practitioner](#), Wendy E. Oughtred, Canada Law Book Inc.; second edition (2014)
- [Solo Lawyer by Design: a Plan for Success in Any Practice](#). Gary Paul Brian 2017
- [How to Start and Build a Law Practice](#), 5th Edition, Jay Foonberg. 2017

Online resources

- Altman, Weil Inc., [Articles, News and Resources](#)
- American Bar Association,
 - [Law Practice Division Resources](#)
 - [The 2017 Solo and Small Firm Legal Technology Guide](#)
 - [Practicing Law in Small Town America](#) (ebook)
- Lawyers' Professional Indemnity Company (Ontario), www.lawpro.ca, [Managing the Finances of Your Practice](#)
- PracticePro (Ontario), www.practicepro.ca, [Risk Management, Claims Prevention and Law Practice Management Resources](#)