Legal*ite* – a bird's-eye view

The documentation that accompanies **L**egal*ite* provides details of the full operation of the product; this bird's-eye view is intended to get you started with general concepts. **L**egal*ite* should be sufficiently intuitive to enable you to navigate the system without referring to the detailed instructions. **L**egal*ite* includes many tooltips (displayed when the mouse pointer rests on a field) and the status bar (bottom of form) provides further assistance where appropriate.

The major components of **L**egal*ite* are aligned to what is required of a small legal practice; the execution of peripheral functions pertaining to the practice of law is enhanced by the functionality, controls and tools provided by **L**egal*ite*. In essence the functionality mirrors the operation of a small practice. Examples of some of the fundamental operations required by a legal practice are presented in the table below, with the **L**egal*ite* functionality provided to aid with fulfilling the operation and to assist with conceptualizing the application of **L**egal*ite* in a small practice.

Function	Legalite
A new client instructs you to perform a legal service for them: record details of the first meeting and request a deposit from the client to cover the anticipated fees.	Add a new client and matter account; note that the minimum details can be entered, with more detail added later. Record details of the consultation (taking instructions) in the Record Activity module; unbilled fees.
Deposit the cheque (could also be an EFT or Direct Deposit) from the client in the trust Bank account.	Receive the trust cheque using the Bookkeeping Receipts module (similar process for cheques or EFT).
At the appropriate time invoice the client.	From 'View Transactions' Invoice; this will remove the unbilled entry and generate an invoice document and transactions, updating all appropriate accounts balances and various reports (if registered for VAT, the VAT liability only becomes applicable at this time. The same principle applies to income (i.e. tax liability implication).
Perform a trust transfer, releasing funds from the trust bank account. Complete the transfer by paying out of the trust bank account and receiving into the business bank account.	Legalite automatically maintains all business and trust balances; when a trust transfer is run from Reports & Updates every Client's Matter account is interrogated to evaluate whether there is money to transfer. The report identifies transfers, with a total amount that can be paid from the trust to the business bank. A Trust Transfer control account is automatically created to manage the Payment from the trust bank and the Receipt into the Business bank (Bookkeeping posting functions).

Legal*ite* is a comprehensive system designed specifically for small legal practices and incorporates all of the above functionality, but importantly in a way that enables someone with limited expertise efficiently to process the information required and immediately obtain accurate and meaningful results. **L**egal*ite* has been built using open source software that is compatible with Apple, Windows[1], Linux and UNIX.
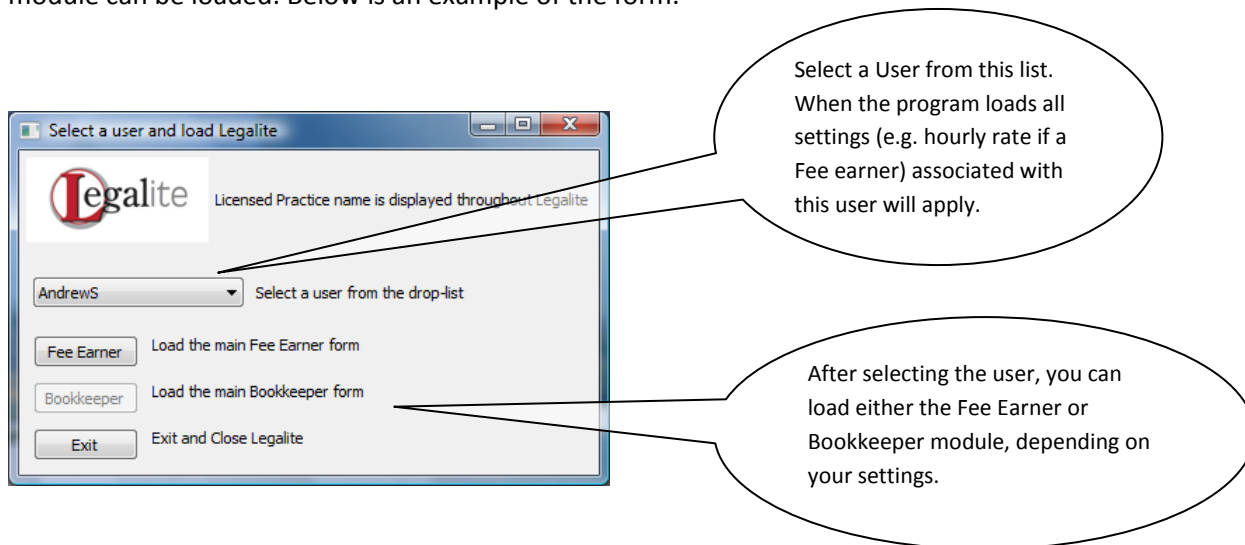
The screenshots below will illustrate the major components of the system, which is divided into two main categories; namely:

1. Fee Earner functionality.
2. Bookkeeper and accounting functionality.

The Practice Set-Up form is presented to illustrate which details of the practice are required.

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[1] Initially, to accommodate Microsoft Word and Excel (2003 or 2007), **L**egal*ite* can operate only on Windows (XP or Vista).

When **Legal**_ite_ is loaded (either from the icon on the desktop or from the Start Programs Menu) you are required to select a user. Dependant on the user selected, the Fee Earner, Bookkeeper or either module can be loaded. Below is an example of the form: -

Select a User from this list. When the program loads all settings (e.g. hourly rate if a Fee earner) associated with this user will apply.

After selecting the user, you can load either the Fee Earner or Bookkeeper module, depending on your settings.

The Fee Earner form also contains a menu item to load the Bookkeeper module, as well as the Practice Set-Up form (from the Utilities menu).

Reports and Updates is loaded from the Bookkeeper module and includes options to generate all reports as well as perform updates such as backups and restores as well as trust transfers and month ends. Additional functions like updating auto text and processing an electronic bank statement are also accessed from Reports and Updates.

Fee Earner

When loaded, all Matters diarized for today are displayed. Click 'All' and all Matters will be displayed; the filter reduces this list to matching clients and/or Matters as you type.

Options are provided to show various categories (diarised for **Today** only, **Overdue** and **All** or due on a **specific date**), including **Deadfiled** Matters.

Details of the selected matter can be updated. Click the 'Update Matter' button to make the changes permanent. Note that the matter can only be 'dead filed' if the balance is zero.

To diarise a Matter: click the calendar, select a date and enter a Diary Note. The Matter will automatically appear (as above) on that date.

The selected clients' details are displayed and can be changed; click the 'Update Client' button to permanently record these changes.

Legalite - Fee Earner Main Screen

File Bookkeeper Utilities Help

Licensed to: ABC Small Legal Practice (Demo only) [AndrewS]

Client	Matter	Diary and Deadfile Filter
Filter: Q Search	Q Search	○ Today ○ Overdue ○ All ○ Date ○ Deadfiled 2009/10/09

Client	Matter
ABC Engineering	Sale of Shares Agreement - J Blogs
ABZA Bank	Labour dispute - J Smith retrenchment

Client Details

* Name	ABZA Bank
Address	12 Main Road Newlands
Vat Reg. #	123456
Contact Name	Joe Blogs
Salutation	Joe
Phone Office	021-658-9700
Phone Home	021-788-2207
Cell number	082-557-7771
Email address	andrews@korbitec.com
Instructions	This is a special instruction for ABSA

☑ Statement: Brought Forward Balance
☐ Automatic Monthly Statement

Matter Details

* Description	Labour dispute - J Smith retrenchment
Instructions	Discuss details with J Smit before proceeding with matter
User Id	AndrewS
Dead file #	
Dead file date	2009/10/09
Diary date	2009/10/09
Diary notes	Review Matter status and report to client
Reserve Trust	5,000

Delete Matter

[New Client] [New Matter] [Update Client] [Update Matter] [View Transactions] [Record Activity] [Print Statement] [Exit Legalite]

The buttons above generally relate to the selected Matter, with the exception of
1. New Client (to add a new Client and Matter) and New Matter (to add a new Matter to the selected Client)
2. Print Statement will print a Statement of account for all Matters for the selected Client; note the option for Statement: Brought Forward Balance. If not selected, all transactions, since inception, will be printed. The statement is in the form of an Excel worksheet. Statements can also be printed automatically at month-end.

The other options all relate to the selected (and displayed) Client and Matter;
1. Update Client and Matter; make changes to the Client or Matter then click the Update button.
2. View transactions will display all transactions for the Matter with the matters business, trust and investment balances and aging of the business balances to 120 days. View the current month or all transactions; filter 'unbilled', 'accounting' or 'all'. A facility is provided to invoice all selected unbilled fees and pending disbursements, with the ability to consolidate and change transactions before invoicing. Once invoiced, unbilled transactions are marked as processed and removed from view. 'Pro Forma' produces an invoice without any updating.
3. The 'Record Activity' module enables recording unbilled time-based (with timer), page-based or unitary fees, disbursements or notes. Unbilled fees and disbursements can be subsequently converted into an invoice via the 'View Transactions' module, Invoice. The word processor can be launched with a letterhead template, a previously saved document or a 'precedent'. A generated document can be emailed (with the default salutation and email addressed from the selected client – see salutation and email fields on the Client record above).

Bookkeeping main screen

'Bookkeeper' type functions are presented here; this includes recording receipts and payments for both business and trust and whether by cheque or EFT. Section 78(2A) Investments, Withdrawals and Interest are also catered for.

All posting programs include intelligent controls, aimed at assisting users with little or no bookkeeping experience and ensuring the integrity of the accounting records. Transactions are not accepted unless they balance (the debits equal the credits) – managed by **Legal**ite.
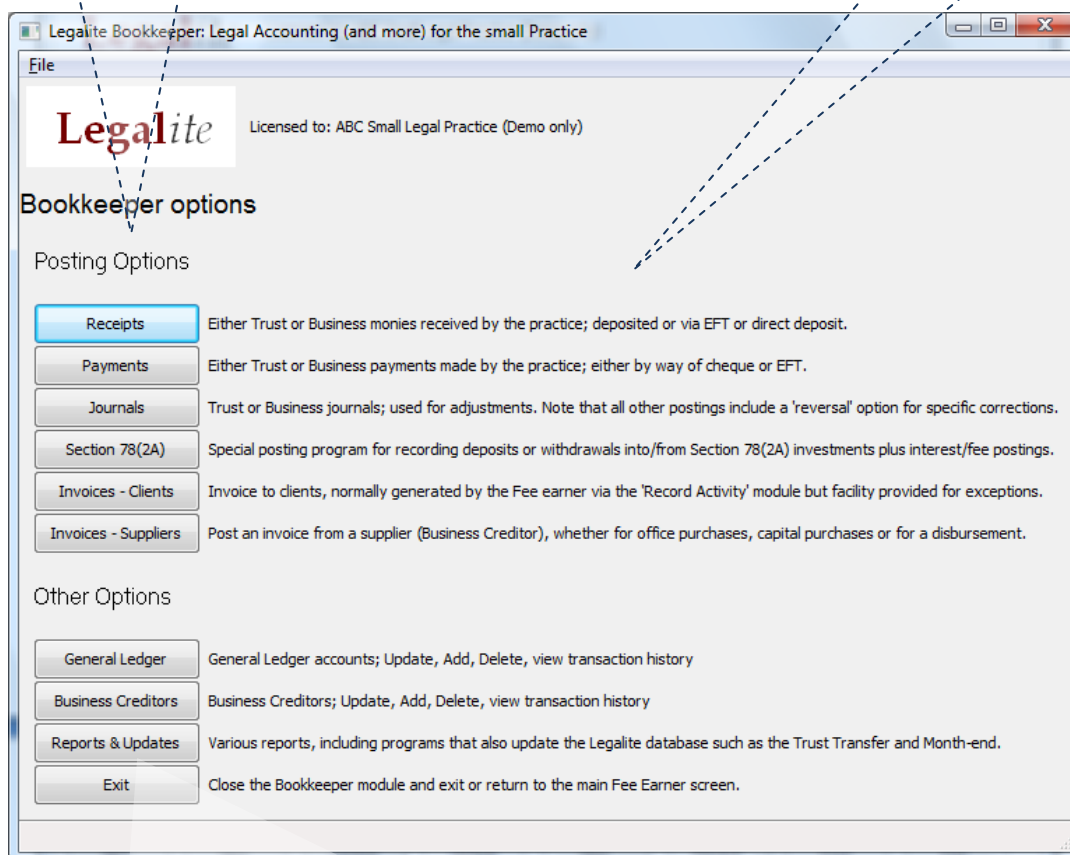
Additional options are presented under 'Other Options'; maintain and view General Ledger and Business Creditor accounts. Reports are discussed in more detail on the following page. Many processing and accounting functions are 'under the hood' – including but not limited to: -

- 'Transaction logging' ensures that only 'atomic' transactions are accepted and updated. **Legal**ite ensures that only balanced (double-sided) entries are accepted, contained within business, trust and investment entries. This ensures that the system remains in balance at all times.
- Control accounts are automatically maintained by the system; the system also automatically maintains a 'Trust Transfer Clearing' account for each transfer to facilitate simplified and effective management of this relatively complex and important function. Regular transfers' equal improved cash-flow.
- The design of **Legal**ite enhances cash-flow without the need to implement the inappropriate VAT on the payment basis (if registered for VAT); the effective management of unbilled fees and pending disbursements improves cash-flow beyond what is possible with the payment-basis. In other words, with the functionality provided by **Legal**ite, when using the more appropriate VAT on the 'invoice-basis' you will nevertheless achieve a better result (cash-flow).

Reports[2] and Updates

'**Legal**_ite_ provides a number of standard reports and updates. The reports with updating are

1. Trust Transfer; an option is provided to report and update (or print the report only). The Trust Transfer evaluates all matters for available trust (General Trust less any reserve allocated) against any business debits. Reverse transfers are also calculated if applicable and the total amount to transfer is reported and posted to the trust clearing account for maximum control. When the physical transfer is performed (i.e. by issuing a trust cheque and subsequently depositing it into the business bank for normal transfers), the clearing account is updated for both these transactions.
2. The month-end (with option for year-end) rolls balances for matters and Business Creditors, updates the accounting period and journalises income and expense accounts to retained profit at year-end.
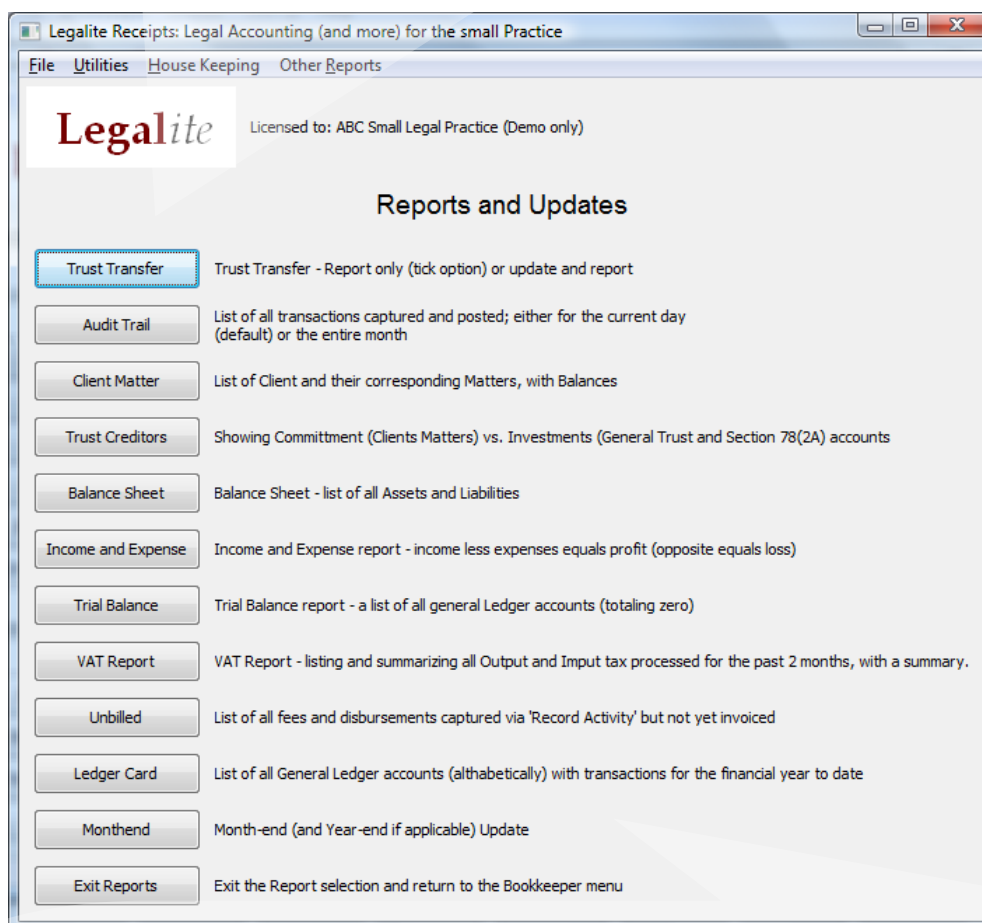
Other reports are
1. Audit trail (for day or month): showing details of all movement with user and date/time.
2. Client Matter report is a list of all clients matters, with balances and aging for business balances. The clients contact name and phone number is also provided to facilitate follow-up.
3. Trust Creditors lists all trust commitments (Clients Mattes with trust or investment balances), General Trust accounts and Investments – with totals for each group to demonstrate that all trust and investments balance.
4. Balance Sheet, Income and Expense and Trial Balance are management reports to enable the attorney to evaluate the profitability and health of the practice at any time.
5. VAT report is a comprehensive report that can be used for the VAT return, providing corresponding figures for Output VAT (VATable sales – apply formula – so all three categories are provided), input VAT for both capital and other and total VAT. These figures will always correspond with the income figures (i.e. with the income tax return).
6. 'Unbilled' enables the attorney to track any fees or disbursements that have not yet been converted into an invoice (Invoicing is done from the 'View Transactions' module).
7. Ledger Card is a list of all General Ledger accounts with a balance and/or transactions, for the period or the year.

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[2] All reports in this initial version are generated in Microsoft Excel (i.e. Excel is a requirement for the 1st version)

Practice Set-Up

The final screenshot is generally used when installing **Legal***ite* (although can also be used to subsequently update details) and is presented to illustrate some of the options available in **Legal***ite*. Only items of significance are highlighted.

The practice name is associated with the license number, which is generated for each practice using **Legal***ite*. The accounting current period is initially set and thereafter automatically maintained by the system. The 'Browse for Letterhead' is used to establish the letterhead path; this is used in the 'Record Activity' module to load the letterhead as a template when selected by the user.

Select whether registered for VAT; if registered enter the VAT registration number and whether returns should be submitted every even month (checked – e.g. Feb – Apr – Jun) or odd months (unchecked – e.g. Jan – Mar – May).

The VAT date and percentage are preset but can be changed in future by you, the user.

When **Legal***ite* is loaded there are a number of General Ledger accounts that must be customised (**Legal***ite* provides a standard Chart of Accounts specific to legal practices).

In the above example the Fee and Bank accounts (which are specific to a practice) have not yet been customised. In the above example, for example, you would click Fees 1, change to Fees AndrewS and update, then click Fees 2 and Delete (as there is only one Fee earner).

Once all these accounts have been customised the General Ledger selection disappears. Accounts can nevertheless be added, deleted (only with a zero balance) or changed in the General Ledger module, found in the Bookkeeper module.

Legal*ite* accommodates up to three users: Fee earners, Bookkeepers or both.

Fee earners include settings for their hourly rate, unit (1 = per minute, 6 = per $1/10^{th}$ hour or part thereof) and page rate. These rates are used by the 'Record Activity' module as the default rate; the amount is calculated by multiplying the rate and units (the optional timer is provided for time-based units).

The income account is used when converting unbilled fees and pending disbursements to an invoice; the system automatically debits the matter with the invoice amount (inclusive), credits this income account in the General Ledger with the invoice amount ex Vat and credits the Vat account in the General Ledger (if Vat applies). All updated balances will immediately appear on the various reports (e.g. Client matters, Vat, Income and Expense and Balance Sheet reports).

Issues to consider, questions to ask

(from www.legalite.co.za)

Is your small legal practice also a viable and profitable legal business? Do you comply with trust accounting requirements?

- Do you record work as and when the work is done?
- Are you able to easily and accurately invoice your client's, on demand?
- Do you have your client's information at your fingertips, and can you instantly find the required clients information?
- Are all your matters dynamically diarized so that nothing falls through the cracks?
- Are you able to perform trust transfers confidently, on demand, to enhance your cash-flow?
- Can you extract an accurate list of trust creditors with general trust and Section 78(2A) investment account details, on demand?
- Can you extract an accurate and up to date Income and Expense report or Balance Sheet at a moment's notice?
- Do you have immediate access to other useful management information such as a list of all Clients and Matters, with balances – including business balances with aging – and client contact details?

Many small practices are not effective legal businesses, for various reasons

- Most small practices do not have effective tools to assist them with billing and especially integrating all accounting transactions to give them a holistic view of the business at all times. Most small practices also cannot respond adequately to client's enquiries.
- Legal accounting is complicated and often done by an outside agency, such as a part-time bookkeeper or the auditors. This means periodic results, which impacts on the ability to operate effectively, and is relatively expensive (especially for what you get).
- The work done by the outside agency is generally limited to client accounts on a monthly basis, excluding most of the benefits alluded to above.

As a legal professional you should be able to focus on practicing law, but operating out of an effective legal business; not least of all to enable you to deliver your service to your client efficiently and effectively. Delivery is as important as the advice provided. You also have an obligation under law to maintain accurate and up to date trust accounts.

An option that is continually promoted is training. While training is important, it has in general not done well in enhancing the success of most legal businesses, or even assisting with the maintenance of accurate and up to date trust accounts.

Legalite believes that the solution lies in a well designed software package, specifically designed and affordable for very small legal practices, that

- Is comprehensive – providing the functionality to perform the operations alluded to above - yet simple and efficient to use.
- Encapsulates expertise and controls to reduce the need for training; i.e. to lead and control the attorney in performing these functions, helping to ensure accurate results.
- Provides comprehensive and integrated results automatically and immediately.

Legalite enables you to focus on what you should be doing as a legal professional; practicing law.