



Set Yourself up for Success in a New Sole Practice



LAW SOCIETY
of ALBERTA

Sole Practice Opening Roadmap





General Considerations



What is Your Why?

- Should you open your own practice?
- Ask:
 - Why?
 - Effective leader?
 - Personal Considerations?
 - Alternatives?
- [Opening a New Law Firm](#) Course



What is Your Why?

- Target Client?
- Practice area(s)? Do you need to build skills to practice competently?
- Can the market bear another lawyer?
- Brick and mortar or virtual?
- On your own or with others?



Start-Up & Ongoing Costs

Start-Up

- Technology, software and equipment
- Office space, supplies and furniture
- Marketing

Ongoing

- Law Society of Alberta fees, ALIA fees, and costs of other professionals
- Rent
- Staff salaries and benefits
- Equipment leases, phone, internet, and office supplies
- Marketing and subscriptions
- Taxes and insurance



Business Structure



Practice Arrangements

Sole



Sole Proprietor

Association of Independent Practitioners



Separate but together

Points to consider

PC



Professional Corporation

LLP



Limited Liability Partnership



Administrative and Reporting Requirements



Admin and Reporting Requirements

Billing Cycles, Filing Deadlines and Other Key Dates

- Portal Updates, Status
- LSA Membership Fees
- Trust Safety Annual Reporting
- CPD Plan Requirements
- ALIA Levy





Responsible Lawyer Approval and Accountabilities



Responsible Lawyer Designation

[The Rules of the Law Society of Alberta](#)

[Approval for Firms & Lawyers](#)

- All law firms (including sole practices) must have a Responsible Lawyer
- Must apply and receive approval to be designated the Responsible Lawyer before providing any legal services
- Can request approval to [operate a trust account](#) or for an [exemption](#) from operating a trust account
- Must receive approval before opening a general or trust account

Bank Accounts

General

Pooled Trust
Account

Separate
Interest Bearing
Account (SIBA)

General Account

- Operating account used to receive payment after legal services have been rendered and to pay business expenses, including yourself and your staff
- No client funds
- For business use only (no personal funds)
- Keep at the same bank as trust account
- Must reconcile the general bank account each month

Trust Account

- Pooled trust account (comprised of client funds held for a variety of clients)
- Maintain a trust and general account at the same bank
- Must use Trust Safety approved software to provide annual Trust Safety accounting upload
- Ways to receive trust funds (electronic transfer, credit card, debit card, cheque, bank draft, wire transfer)
- Must deposit trust funds the same day they are received or by the end of the following business day
- Must provide a statement of account to the client before moving retainer funds from trust to general

Trust Account Cont'd

- All withdrawals/transfers from trust must be approved by a lawyer, it is helpful to use the Electronic Banking Withdrawal Form to capture the requisite information
- Must reconcile trust account each month
- Can have a float of a maximum of \$500
- Bank fees cannot be taken from trust, must come out of general
- Report shortages - understand the trust shortage reporting rules
- Matter to matter transfers
- Interest earned on a trust account must be directed to the Alberta Law Foundation
- Canada Deposit Insurance Corporation (CDIC), report for coverage

Separate Interest Bearing Account (SIBA)

- SIBA's are used when substantial trust funds will be sitting for an extended period of time
- Lawyer must receive instructions from client in writing to deposit trust funds into a SIBA
- Client is entitled to the interest made on the money held in SIBA
- Client money must first be deposited into the trust account and then transferred to a SIBA
- Each SIBA must be reconciled monthly



Trust Safety and Anti-Money Laundering (AML) Rules and Obligations



Trust Safety and AML Rules and Obligations

- Trust account use is restricted to [client legal services](#)
- Must know your client (client identification and verification)
- Restrictions on [cash transactions](#)
- Duty to withdraw if fraud or other illegal conduct is suspected
- [Prescribed financial records](#) (including [trust account reconciliations](#))
- Obligation to maintain financial records
 - Start Up Report due four months from date of approval
 - [Annual Reporting](#) obligations
 - [Considerations for Choosing Accounting and Practice Management Software](#)

Assessing Risks and Establishing Processes

- Assess and document risks in your practice
- Establish processes to mitigate risks
 - [Client identification and verification](#) process, use of [intake forms](#)
 - Ensure source of funds is complete
 - Trust deposit/transfer process (receiving)
 - [Trust cheque writing](#) / [electronic withdrawal](#) process (outgoing)
- Keep posting up to date and review trust account statements frequently
- Create and maintain a consistent billing process
- Train and educate those who support your practice
- Establish process review to ensure effectiveness



Support Teams





Your Support Team

- Assistants, [Paralegals](#), Receptionists and Conveyancers
- Accountant, [Bookkeeper](#) and IT
- [Student at Law](#) (scope)
- Needs-assessment
- Sourcing and hiring
- Onboarding and retention
- Virtual options

Working Together

- General Staff Considerations as you are both lawyer and employer
- Inform, engage and communicate
- The Code of Conduct and Your Staff
- Office Procedure Manual
- Non-Lawyer Staff May Do
- Non-Lawyer Staff Must Not Do



Delegation and Supervision

- [Code of Conduct](#)
- Legislative rules and requirements
- Professional responsibility
 - [Delegation of Tasks and Supervision](#)
 - Oversee, instruct, review and accountability
- [The Bookkeeper's Role](#) is supportive and requires oversight
- [Student at Law](#) requires specific obligations and oversight
- [Misappropriation](#)



Professional Responsibilities



Professional Responsibilities

Competence

- Continuing Professional Development
 - Practice area(s)
 - Capacity
- Technological (including AI)

Confidentiality

Fraud and loss prevention

Conflicts

Civility and courtesy

Supervision and delegation

Marketing considerations

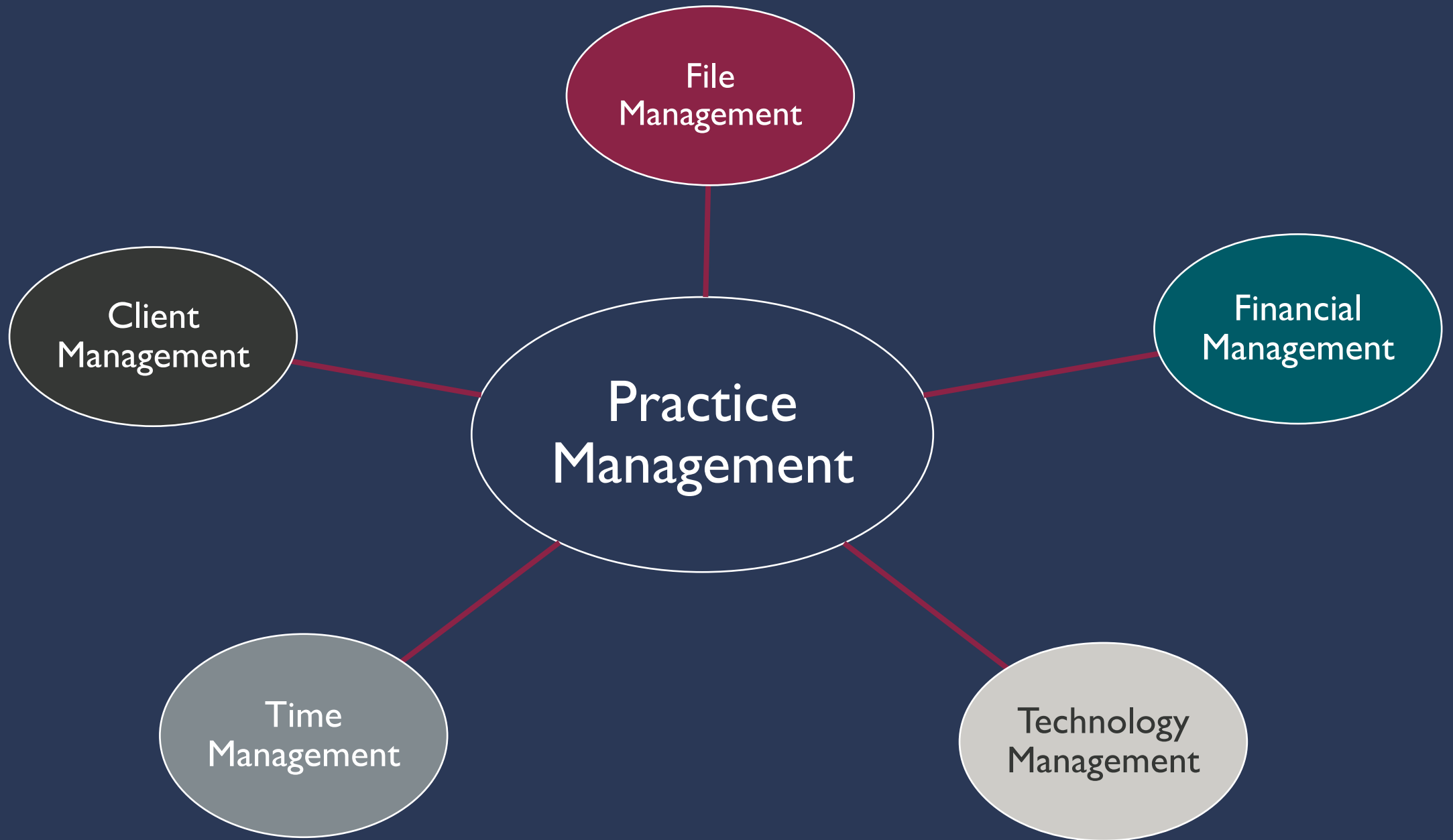
Business Continuity and Succession Planning

- Coverage and contingency planning for absences (expected and unexpected)
- [Business Continuity and Succession Plan Guide and Checklist](#)
- Having a plan addresses your obligations of:
 - Competence
 - Client service
- Control the outcome



Practice Management – Life Cycle of a File





Opening the File

1. Intake Process – Client Information

- [Conflict](#) check
- [Client Screening](#) and assessment of needs
- Retained or not ([non-engagement](#))

2. Client [ID/Verification](#)

- Create [forms](#) and use consistent process
- [Retainer agreement](#) and client expectations

3. Enter Client into Practice Management [Software](#) and [Open File](#)

4. Add New File to [Master File List](#)

Working the File

1. Time Management

- Email management
- Manage priorities and your calendar

2. Client Communication and File Management

- Consistent contact with your client
- Recall process to ensure progression of file

3. Document Management

- Client confidentiality and secure back-up

4. Billing, Retainer Replenishment and Collections

- Transparency and consistency for the client and the financial management of your practice

Closing the File

1. File Closing

- Develop a [checklist](#) to capture [all steps](#) required to close a file

2. Retention

- Determine [what you need to keep and for how long](#)

3. [Storage](#)

- Ensure compliance with confidentiality obligations and that clients are informed about how their data is stored

4. Destruction

- Establish a [process](#) for how files (both paper and electronic) will be destroyed at the end of the required retention period

Request a one-on-one Practice Management Consultation with PM Counsel

Trust.Safety@lawsociety.ab.ca

Membership@lawsociety.ab.ca

www.ALIA.ca

www.lawsociety.ab.ca

403.229.4700 or 1.800.661.9003

