**INSTRUCTIONS**

Below is a list of a Chart of Accounts that has been revised to include only those items that LawPact members believe will provide valuable comparative financial data reported in a consistent manner. PLEASE USE YEAR **2022** DATA. Definitions of operative words or examples of those items to include in the line items are shown in italics. Your response shall be provided on the attached Excel spreadsheet. Please provide the data in the spreadsheet electronically. DO NOT MAIL A COMPLETED PAPER COPY. DO NOT PDF YOUR RESPONSE. If you are unable to provide this information electronically, please contact Taylor Douglass at [taylor@shermlaw.com](mailto:taylor@shermlaw.com) or 503-364-2281 to discuss the issue further. Also, DO NOT delete or alter the columns or rows on the spreadsheet in any way.

The Excel workbook has 3 spreadsheets (Revenue, Ratios, and Personnel) that require completion. The financial information is on the first spreadsheet. The second spreadsheet provides raw financial data from which LawPact will be able to determine financial ratios. The dollar information to be provided is based on the chart of accounts in the accompanying document. The third spreadsheet gathers data about the number and types of employees in your firm. Each of these spreadsheets is important, so please make sure you complete them all.

The Expense spreadsheet does include a column labeled “Comments/Notes” where you may advise as to anything that you believe may affect how that answer is viewed. Feel free to provide clarification of any of your answers if there are factors within your firm that you believe may skew your responses (i.e., office renovation, partner buy-outs, significant one-time expenses, etc.) These explanations will become part of the discussion when the membership is reviewing the collective responses at the fall meeting.

All figures requested are to be provided in **U.S. dollar** amounts. Revenue (Acct 400) must be disclosed as a dollar figure. However, revenue shall include funds received from all sources, including the law firm, Title Company, real estate partnership, and any affiliated business enterprises that may provide income to the law firm equity partners. All of this information will be kept confidential. The final report as presented to LawPact will not contain any dollar figures. Information as presented to LawPact will be in percentages only. LawPact will be responsible for the calculation of the various percentages, based on the income and expense amounts you provide.

Aging Receivables – 410 – Please report your receivables for 60 days, 90 days, and over 90 days.

The amounts reported for line items 500-860 will not add up to 100% of revenue. The items addressed as expenses are only those items that LawPact believes will be informative to its members.

Account 600 addresses the issue of rent and related expenses. Please note whether or not the law firm (or related entity) owns the real estate. This will help explain any disparities in the rental percentage.

Non-US Members – LawPact wants to make sure that all its members participate in the project and provide their information. However, we understand that the non-US firms are frequently required to incur expenses that may not be categorized on the attached spreadsheet or that you believe are not addressed at all in this data gathering effort. We would ask that you do the best you can with this request and to provide LawPact with your financial information accompanied by comments wherever you believe that the request doesn’t include some expense of your firm which may be unique to your country or jurisdiction. If you are really stuck on how to proceed, call or email Kathie Schumacher to see if something can be worked out.

We ask that you carefully review your responses before submission. Please submit your final spreadsheet to Taylor Douglass at taylor@shermlaw.com. If you are uncertain about any of your responses, please discuss with your firm’s LawPact representative before you submit your response. Accuracy is paramount to ensure these reports, presentation, and discussion are valuable.

**DEADLINE** – **It is imperative** that the complete responses be received no later than midnight on Friday, **September 15, 2023** in order to permit LawPact sufficient time to perform all the calculations and prepare the materials for the presentation. The more participants we have, the more useful the data.

**Final reminder, this is 2022 financial information. Late submissions will not be included in the presentation at the Fall Conference.**

QUESTIONS: Taylor Douglass at taylor@shermlaw.com or 503-364-2281

CHART OF ACCOUNTS

(*provides explanation of categories used on the attached Excel workbook)*

LIABILITIES AND CAPITAL (EQUITY)

200 EMPLOYEE TAX LIABILITY (*to include all payroll taxes withheld, Social Security, Unemployment Compensation, Worker’s Compensation or similar tax obligations for everyone except for Equity owners)*

250 LOANS PAYABLE – all types

260 CAPITAL LEASE OBLIGATIONS

290 OBLIGATIONS TO DECEASED, RETIRED, AND WITHDRAWN PARTNERS

REVENUE

400 REVENUE RECEIVED FROM ALL SOURCES (*including related entities, affiliated businesses and real estate entities)* must equal 100% of firm revenue

410 AGING RECEIVABLES

60 DAYS

90 DAYS

90+ DAYS

COSTS

500 PARTNER COMPENSATION (*partner- Equity Owner)*

501.10 Salaries, Draws, Distributions

501.20 Bonuses

501.30 Affiliated Business Income (*compensation sources from affiliated business, if applicable)*

501.40 Vehicle Expenses or Allowance

501.50 All Other Compensation

505 NON-EQUITY INCOME PARTICIPANT

505.10 Salaries

505.20 Bonuses

505.30 Affiliated Business Income

505.40 Vehicle Expenses or Allowance

505.50 All Other Compensation

510 OTHER LAWYER COMPENSATION (*i.e., associates, of counsel, contract lawyers)*

520NON-LAWYER LEGAL STAFF

521.00 Summer Associate Compensation

529.00 Other Non-Lawyer Legal Staff Compensation (*includes secretaries, paralegals, and research assistants)*

540 OTHER ADMINISTRATIVE STAFF COMPENSATION (*CFO, Bookkeepers, Marketing personnel, other back office, and non-revenue employees)*

560 EMPLOYEE LIFE AND HEALTH BENEFITS (*not including amounts paid on behalf of Category 500 (Equity Owner) and 505 (Non-Equity Income Participant) Personnel)*

561.00 Group Health/Dental/Vision

562.00 Group Life

563.00 Group Disability

564.00 Medical Reimbursement

565.00 Other

566.00 Any government required employee benefits not included above

570 RETIREMENT BENEFITS (*include information for all employees except Partners and Non-Equity Income Participant. For Partner and Non-Equity Income Participants, include these amounts in Section 501.40 or 505.40)*

571.00 Pension Plan

572.00 Profit Sharing

573.00 401(k)

574.00 Deferred Compensation

575.00 Defined Benefit Plan

576.00 Other

580 TEMPORARY SERVICES

590 OTHER EMPLOYEE EXPENSES (*for example – parking, bus passes, meals, clothing allowance, etc.)*

600 RENT AND RELATED EXPENSES

RENT OWN

If owned, percent of building occupied by your firm\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_%

610 OTHER OCCUPANCY EXPENSES

611.00 Off-Site Storage

612.00 Office Relocation

619.00 Other

700 STATIONERY, PRINTING AND OFFICE SUPPLIES

710 FURNITURE EQUIPMENT RENTAL

711.00 Office Furniture and Fixtures

712.00 Reproduction Equipment

713.00 Computer Equipment

714.00 Communication Equipment

719.00 Other

730 INTEREST EXPENSE

731.00 Credit Line

732.00 All Other

750 ADMINISTRATIVE EXPENSES

751.00 Travel and Accommodations

752.00 Travel Related Meals

753.00 Education

754.00 Employer Lunchroom/Coffee/Soda/Snacks

755.00 Office Entertainment

756.00 Employer Gifts/Flowers

760 NON-LAWYER HIRING EXPENSES

761.00 Agency Fees

762.00 Employment Advertising

763.00 Other

770 COMMUNICATION EXPENSES

771.00 Telephone

775.00 Postage

777.00 Courier and Delivery Services

800 PROFESSIONAL EXPENSES

801.00 Associate Expenses (*for example- Bar Association Dues, Professional Association Dues, Association Travel/Accommodation, Association Meals, Other Association Meals)*

802.00 Firm Meetings/Retreats (*for example- Travel, Meals, Meeting Room/Equipment, Rental, and Entertainment)*

803.00 CLE (*for example – Program Fees, Travel and Accommodations, Meals)*

810 BUSINESS DEVELOPMENT (*do not indicate any expenses for costs which should be included in 860)*

813.00 Advertising/Listings in Publications & Directories

814.00 Public Relations

819.00 Other

820 PROFESSIONAL RECRUITING

830 LIBRARY & REFERENCE SERVICES

831.00 Book Purchase/Periodical

832.00 Computerized Research

840 INSURANCE

841.00 Professional Liability

849.00 Other

860 PROFESSIONAL SERVICES

861.00 Accounting/Auditing/Tax

862.00 Management Consulting

863.00 Marketing Consulting

864.00 Legal (*for the firm)*

865.00 Pension (*for the firm)* Outside

866.00 Payroll Services Outside

867.00 Computer Services