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Most partners would argue that, outside of the firm's tax and audit production applications, time and billing is the most mission critical program within today's tax and accounting firm. These tools have come a long way in recent years to incorporate enhanced features and processes of which many firms are not even aware. This article discusses 10 time and billing best practices that should be incorporated into every firm.

1. **Daily Time Sheet Entry:** With the multitude of ways for individuals to connect to the firm today, there is no reason why every person in the firm should not be entering and posting time daily. Remote access tools such as Citrix, Microsoft Windows Terminal Server, XP Remote, and broadband cellular access via aircards have become ubiquitous and cost effective. Today's SQL databases that run time and billing are significantly more robust, allowing for real-time posting of this data as well. Studies done in the past found that firms moving from monthly entry and posting on a daily basis experienced a 7 percent increase in utilization, and firms traditionally posting on a weekly basis increased their captured hours by 5 percent by going to daily time entry.
2. **Daily Expenses:** Capturing expenses should be done on a daily basis, as well, for both client reimbursable and firm reimbursable expenses. This is particularly easy today as both these types of charges can be tracked in time and billing, as well. Many firms still have their personnel create separate expense reports in Excel or write down information on a manual expense form, which the administrative department has to re-key into time and billing when they receive the report. By entering expenses directly with time on a daily basis, the likelihood of missing an item is drastically reduced, and

the employee can print the completed report out of time and billing and attach

month-end paper markup and re-key process. And honestly, the individual's knowledge of that client, and what should be billed, is at its best when they complete the project, rather than a month later when they are trying to remember any special circumstances along with the hundred other bills they are trying to get out. Best practices today are to push the billing down to the in-charge on an engagement, which usually equates to the top one-third of employees having the capability to create an invoice. This process is particularly effective for tax-return only clients, whom you only bill once per year.

4. **Digital Invoices:** Printing, stuffing, stamping and sending month-end invoices can be a time consuming and expensive process because it is very manually intensive. Some of the top time and billing applications have the capability to have a client designated to receive a digital invoice, which creates a *.PDF of the bill, saves it to the network and e-mails it to a client at the same time as when all the other designated digital invoices are generated. Please note: This is different from the manual process of having a staff person generate the invoice in a *.PDF file, manually save it to the network and attach the file via e-mail. While this second process is acceptable for a few invoices, most firms find that it is not practical for generating a large number of invoices.
5. **Digital Delivery of Reports:** Many firms create custom internal reports to manage WIP and receivables that are either generated out of their time and billing or generated with the help of Excel to combine data from different sources. These reports are often created on a monthly basis, printed out and then copied for all the owners and mangers, who receive them in a paper format. Firms should consider generating a *.PDF of the report and placing it on the firm's intranet. Recipients would be e-mailed a link to the reports and have immediate access without the cost of printing and delivering. This is particularly effective for multi-office firms where

the delivery can be delayed for days. An added benefit is that the intranet

involved or analyzed by the service codes. Some of the dashboards can be customized for individual employees or other flash report information that the firm keeps in time and billing to manage the practice.

7. **Tracking Vacation:** We are constantly amazed at how many firms take information out of time and billing and re-key this data into Excel for tracking, such as monitoring vacation hours accrued and taken. Virtually every time and billing system today will allow you to drop in a carryover amount for the previous year's vacation accrual and then incorporate the current allocation, which can be equally allocated throughout the year. The benefit of this is that firm personnel would be able to look up their vacation availability without having to ask administrative personnel, and the firm's internal human resources person would monitor this from within their time and billing without re-keying. Please note that this is something that staff should be trained on looking up, and the instructions should be documented on the intranet or within the vacation policy pages of the personnel manual so they can easily access the information themselves.
8. **CPE Management:** In addition to vacation tracking, there are many firms that re-key their CPE data into Excel or another database to manage. Again, any time personnel have to re-key and reconcile information in another application, efficiencies are lost. All of the top time and billing applications allow for the creation of custom fields for individual state requirements such as instructor name, sponsoring organization, type of CPE, and qualified versus non-qualifying CPE hours. Let's face it, the person taking the course has the best access to this information and should enter it when they do their daily timesheet. When firms get administrative personnel involved in re-keying CPE hours, they are adding time because they then have to get the information from the person attending the CPE.

9. **Centralized Contact Management:** There has been much talk

holiday cards, labels for firm newsletters/niche mailings and e-mail contacts. These are categories and custom fields that most of today’s time and billing applications can set up, so we recommend centralized maintenance of all contacts within time and billing as a minimum. For firms running on today’s high-end databases such as SQL, not only can these databases maintain clients, but they can maintain prospects, as well, particularly with the newer multi-processor servers.

0. **Outlook Integration:** For more robust utilization of contact information, some time and billing programs can create a custom export to a firm-wide Outlook Public Folder, which would allow the data to be used in an interface that naturally integrates with Word, e-mail and label printing programs. Most of today’s time and billing systems run on high-end databases like SQL, which can also be custom coded so that the data can be exported to specific fields and categories within Outlook. This would allow firms to maintain all updates in time and billing, and then run the export or linking application to update the firm-wide contact list, where all authorized viewers would have access.

Most of these features have been around for years so firms can learn about how to implement such features from their time and billing vendor’s websites or via web-based training. To learn how to optimize these processes, we strongly encourage firms to send a person to the vendor’s annual User’s Conference at least every other year, where they can evaluate processes first-hand and network with other users that can share successes as well as warn firms about pitfalls.

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