



## LNP 283

### Top Tips for Invoicing as a Legal Nurse Consultant

You do a case for an attorney and she says, “Great work. Send me an invoice.” Here are top tips for invoicing to make the process go smoothly.

This is Pat Iyer with *Iyer’s Insights*. The tips I share in this podcast will help you avoid a lot of wasted time and aggravation.

Here they are:

1. Use accounting software to create your invoice. Yes, you can get an invoice template from Word, but that does not create the kind of record you need for taxes and to manage your business.
2. To avoid looking like a newbie, **don’t number your invoices starting with #1**. And to avoid giving your clients a clue as to how many invoices you have sent out, use a 4-digit code like 1901 with 19 standing for year and 01 standing for your first invoice of the year. Next year change it to 2001.
3. Have a **code for the type of service** you provided. For example, suppose you do both expert witness work and behind the scenes consulting. You’ll want to know at the end of the year how much income you generated from each type of service.
4. Include a **minimum of detail** about the work you completed. The attorneys who love to nitpick will tell you why it should not have taken you 2 hours to read the records; you could have done this in an hour. I grouped items on an invoice such as “organization and review of records 5 hours” instead of breaking down each time frame. This way I spent less time arguing with attorneys.
5. Include your **payment terms on the invoice**. Is it due upon receipt? 14 days? 30 days? I recommend using a payment time frame that is as short as possible. If you work with replenishing retainers, your invoices should be for small amounts. Which leads me to the next of the tips for invoicing.
6. **Don’t do a lot of work for which you are waiting to be paid**. It is easier to get paid if you are communicating well with the attorney, explaining the time you are

putting into the case, and using a replenishing retainer to pay yourself in incremental amounts.

7. Two small invoices are easier for an attorney to approve than one large invoice. **Don't let large amounts of hours to accumulate** without sending an invoice. And ideally, get replenishing retainers so you don't have to wait for payment.

8. **When you decide to raise your rates, start letting attorneys know 3 months ahead of time.** Expect a last-minute rush of cases which the attorney wants completed at the older rate. Decide when the new rate is effective. Then invoice for all work at the new rate which is performed after the effective date. It is far too complicated and not a smart business practice to continue to invoice at the older rate for older cases.

9. **Provide your tax ID** (social security number or Employer Identification Number) on each invoice. This tip for invoicing avoids a lot of phone calls at the beginning of the year when law firms are issuing 1099s.

10. **State your interest policy on your invoice.** Typically, companies use 1.5% a month on unpaid invoices. You won't always collect this interest on older invoices, but it can act as an incentive to pay your bill.

11. **Don't offer a discount for early payment.** Attorneys will subtract it from the invoice and then not send in the money early.

12. **Send your invoice as soon as you are finished with the work** requested on the case. And stay on top of unpaid invoices. Be persistent and clear about the need to get this paid. Document your efforts (date and time, who you spoke to) about unpaid invoices.

13. **Use leverage** when needed to get paid. Explain to the attorney you need to withhold a report or can't appear at a deposition or trial until outstanding invoices are paid.

Use a simple, clear system to avoid problems with invoicing. Following these top tips for invoicing will avoid a lot of collection issues.



## **Smart Money Management**

Before I continue with the show, let's talk about one point: You know that controlling expenses and keeping good track of your income is vital for your business. In my online training presented by an accountant, you will discover what you should be

doing from this skilled accountant. Learn simple and straightforward ways to manage and understand your money so that you can use that information to grow and better manage your business. You won't want to miss this.

In this one-hour online training you will:

1. Identify and choose a simple and uncomplicated way to track your money and set budgets
2. Get tips and tricks on understanding your numbers
3. Refine your financial goals and use powerful techniques to achieve them

Order this training at the show notes of [podcast.legalnursebusiness.com](http://podcast.legalnursebusiness.com) and use the code Listened in the coupon box to get a discount off the price.

Legal nurse consulting collection issues plague many LNC businesses. Have you ever done work and not gotten paid by your attorney client? If so, you are part of a large group of LNC business owners who have gotten burned by an attorney.

### **How do legal nurse consulting collection issues occur?**

The phone rings. This happened to me. It is an attorney who just walked out of a deposition. He hired one of your subcontracted expert witnesses to defend a nurse. During the deposition, plaintiff counsel asked tough questions about a case with some grey areas.

Your client asserts your expert was inexperienced with the deposition process. She volunteered her opinions about some deviations from the standard of care, which enraged your defense attorney client.

“I am not going to pay for her deposition fee! It was a waste of my time. I can’t use her now!” He rages on about her performance while you listen, gripping the phone with dismay.

You now have an untenable negotiation position. The attorney did not pay you for an invoice that was outstanding before the deposition. Now he will not pay for your expert’s time. While payment is not supposed to be contingent upon performance, you have no leverage to use to collect the unpaid invoice plus the fee for the deposition.

You tell the attorney you need to think this over and talk to the expert. Your expert tells you a different version of what occurred in the deposition room. She got backed into a corner by the opposing counsel and was forced to make concessions about deviations. When you explain how angry the attorney was, she admits she realized that as soon as the deposition was over.

You remind the attorney that payment is not contingent on performance. Realizing you have no leverage, you advise the attorney you will not pursue payment of the invoices. In return, you request he keep this experience confidential. You are concerned with the reputation of your business within the legal community and don’t want him to tarnish it. He agrees to these terms.

## **How to Avoid Legal Nurse Consulting Collection Issues**

- Make sure your expert witness understands the importance of thorough preparation.
- Ask your expert to spend time with the client before the deposition anticipating the questions opposing counsel may ask. Part of this discussion is identifying the weak areas in the case and figuring out how to handle these questions.
- Insist that all unpaid invoices and a pre-deposition retainer be in your hands before the deposition begins. You have more leverage when the money is in your bank instead of the attorney’s.

Be sure to invest in our online training called Smart Money Management. Just a few small tips can make a big difference in your bottom line. Go to the show notes

of this podcast on [podcast.legalnursebusiness.com](http://podcast.legalnursebusiness.com) to get immediate access to the training.

I've got a phenomenal resource for you just waiting on [LegalNurseBusiness.com](http://LegalNurseBusiness.com). My online training and books are designed to help LNCs discover ways to strengthen their skills and businesses. Check them out at [legalnursebusiness.com](http://legalnursebusiness.com).

Many of us are lifelong learners who enjoy the chance to keep expanding our knowledge. Just like the book of the month clubs, [LNCEU.com](http://LNCEU.com) gives you two online trainings every month. We have a yearly payment plan that saves you over \$50 compared to paying monthly, and each program is hugely discounted. Look at the options at [LNCEU.com](http://LNCEU.com).

The [LNCAcademy.com](http://LNCAcademy.com) is the coaching program I offer to a select number of LNCs. You get my personal attention and mentorship so that you can excel and build a solid foundation for your LNC practice. Get all the details at [LNCAcademy.com](http://LNCAcademy.com).