SAMPLE LETTER REGARDING THE BASICS OF RUNNING YOUR PRACTICE

(DATE): [\*

Dear [\*:

This letter sets forth everything you need to know if I am disabled or die while I am practicing law.

Attorney [\* has agreed to assist me should I become disabled or die, and you should call him/her immediately at [\*.

This attorney either holds a Power of Attorney to use if I am disabled or is going to be involved in the administration of my estate as Personal Representative, or I hope as counsel in the event of my death. My Power of Attorney and my Will are in [\* at [\*. I have also executed specific powers of attorney at my bank or other financial institutions as follows:

[\*

My Pennsylvania lawyer ID number is [\*.

My social security number is [\*. My tax ID number for my business is [\*.

I have disability insurance through [\* insurance company which has a [\* monthly income benefit and a [\* day waiting period. The policy is in located [\*. The agent for the policy is [\*. who can be reached at [\*.

I have a life insurance policy in the face amount of [\* with [\* insurance company and [\* is the beneficiary. The agent is [\*, who can be reached at [\*.

I have Office Overhead Expense Insurance through [\* insurance company with a monthly benefit of $[\* per month. The agent is [\* who can be reached at [\*. The waiting period for the benefit to start is [\*.

I maintain the following bank accounts for the following purposes:

Account No [\* at [\* Bank. This is the operating account I pay the expenses of the office from. Monies in this account belong to me;

Account No [\* at [\* Bank. This is my attorney Trust Account (also called an IOLTA account) and the money in this account belongs to clients and is not mine. The ledgers showing those clients and their monies is in my computer at the office and the hard copies of the ledgers are in the office in [\*;

Account No [\* at [\* Bank. This is the account I pay the payroll from. Some of the money in it may be mine or may be money that I have withheld from my employees as taxes or may be my payments of payroll taxes, such as social security taxes. The records and ledgers of this are [\* in the office. My payroll is a [\* (Monthly/biweekly/weekly) payroll. I make my payroll deposits by the [\* of the month and I pay them through [\* bank. My office tax ID number for purposes of making the payroll deposits or anything else involving the IRS or Pa Department of Revenue is [\*.

In the payroll file you will find a ledger for each of my employees which sets forth their compensation.

I also make Pension contributions with each payroll as follows to the Pension Plan at [\*. The account number of the Pension Plan there is [\* ; the telephone number there is [\*. In addition to me [\* can sign documents for the Pension Plan (this person's specimen signature is on file with them).

Account No [\* at [\* Bank. This is a cost account from which I advance my own money to pay client costs like filing fees. When the client repays me, I deposit the money here. Any money in this account belongs to me and not to a client.

I bank primarily at [\*. I deal with the manager, [\*. The manager's phone number is [\*.

I maintain a Safe Deposit Box at [\* Bank. The box number is [\* and I keep the key at [\*.

I maintain a Line of Credit for the office at [\* Bank. The credit limit on this account is [\*, so at no time should I have a debt greater than that at the office. I also use a credit card with respect to office expenses. It is a [\* account and the number is [\*. The credit limit on that is [\* and this creditor can be reached at [\*.

I have equipment leases for the following items:

|  |  |  |
| --- | --- | --- |
| **Item** | **Payment** | **Lessor** |
| Phone | [\* | [\* |
| Car | [\* | [\* |
| Photocopy Machine | [\* | [\* |
| Computer(s) | [\* | [\* |
| Fax | [\* | [\* |
| Scanner | [\* | [\* |
| *Note: TAB in last column to create additional row(s) if needed [\** |  |  |

I file the following tax returns every year:

Personal Income Tax--Federal Form 1040 and Pa 40. These tax forms are [\* current. I keep the forms for [\* years back, in [\* in my office.

Partnership Returns, Federal Form 1065 and PA 65. These forms are [\* current. I keep the forms for [\* years back in [\* in my office.

Employment Taxes, Federal Form 941 and concomitant PA form are filed quarterly on April 30, July 31, October 31 and January 31. These forms will be found with my payroll records in the office. My usual deposit of employment taxes is [\* in the amount of [\* to [\* bank for the federal deposit and directly to PA for its taxes, and I usually remit payroll/ withholding taxes to the following municipalities for the following employees. The forms for [\* period are in the [\* at my office

The municipal payroll taxes are remitted quarterly.

Unemployment Compensation Taxes. I file and pay the PA taxes on April 30, July 31, October 31 and January 31. I file the federal form once a year on Jan. 31. These forms for [\* years back are in the [\* at the office.

US Form 5500. This form is [\* current and I file it annually on July 31 for the preceding calendar year. These forms are kept with the Pension Plan forms in [\* at the office.

This is how my filing system is organized:

[\*

This is how I diary my files to know what work has to be done by certain dates. It is of the utmost importance that you look in this place and check these dates immediately if anything happens to me. If important dates are listed, the attorney who has offered to help me needs to be contacted immediately.

[\*

I keep important documents in my office safe. The safe's combination is [\*.

The list of important documents in my safe is in my computer in a file named [\* and I keep a hard copy in [\*. The computer password is [\*.

I organize my closed files as follows:

I keep them [\*. You can call [\* at [\* to get them out of storage.

I organize my client files in my computer as follows:

[\*

I organize my client hard files in my office as follows:

[\*

As of the date I write this, I am aware of the following claims of creditors:

By creditors: [\*

By clients: [\*

By the Disciplinary Board of the Supreme Court of Pennsylvania: [\*

The backup for my whole computer system is made [\* (nightly/weekly/monthly). The backup is kept on [\* in [\*. The password and logon to restore is [\*.

My Retirement Plan is maintained through [\* as the Plan Custodian or Trustee. I or [\* am/is the Plan Administrator. [\*'s specimen signature is on file with the Custodian and that person can sign any documents for the plan. I keep the records of the accounts in the Plan in [\* at [\*. The plan documents themselves are in[\* at the office.

I lease/own my building. I make my payments as follows:

Landlord/mortgagee and address [\*. Monthly payment of [\*.

My lease is for [\* years, expiring [\*.

My mortgage is for [\* years, expiring [\*.

My accountant is [\*, whose business address and phone are [\*. .

I carry the following types of business insurance. I have listed the agent for each policy:

|  |  |  |
| --- | --- | --- |
| **Type** | **Agent** | **Phone** |
| Professional Liability | [\* | [\* |
| General Public Liability | [\* | [\* |
| Property Damage | [\* | [\* |
| Cybercrime | [\* | [\* |
| *Note: TAB in last column to create additional row(s) if needed [\** |  |  |

For property damage coverage my agent has a list of all of my tangible personal property and its initial cost.

My health insurance coverage is through [\*. I pay a [\* premium of $[\*. The insurance is through [\* Company, and the agent and phone number are [\*.

The ID number for my health insurance is [\*.

My following employees are also covered:

a. [\*

b. [\*

c. [\*

I hope this information helps you to help me. Thank you for all you will do for me. I appreciate it.

Very truly yours,

[\*