



Life Cycle of a File

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PRACTICE ADVISOR'S WEBINAR

Life Cycle of a File: Opening Files, Diarization, and Closing Files

Introduction:

Most lawyers break their work into small or not so small segments known as files. To be a successful lawyer, it is essential that files are opened, that they are moved along in a timely manner, and are closed. If each of these steps is done while keeping in mind the other steps, the process of managing files can be much more easily accomplished.

Opening Files:

When setting up an opening file system, it is essential that that file must be readily identifiable and easily retrievable at any point in time. To facilitate this, the following matters should be considered:

- (a) a consistent numbering system;
- (b) a master list system, usually in alphabetical order for the purposes of identifying files and client and doing conflict checks;
- (c) colour coding system.

When opening an individual file, it is strongly recommended that some type of a new file sheet or file start-up sheet be created which contains all of the information necessary to identify the client and make contact with the client and summarize the relationship with the client.

The file should be labeled in a manner that is easily readable and recognizable, and the file should be linked to the necessary accounting processes so that it has a trust ledger, if necessary, and that file is tied into the general ledger and time and charge and billing system in the office.

Diarization:

There are numerous diarization systems used by lawyers throughout the province. In choosing a diarization system, the most important aspect is trust. If you do not have a diarization system which you trust, get rid of it.

A diarization system is one of the methods that assists the lawyer in moving the file forward. This occurs because the file "turns up" on the lawyer's desk whenever something needs to be accomplished on the file.

One of the criticisms that I have heard with regard to diarization systems is that "I like to have my files close so that I can monitor them for deadlines". What that means is that the files remain in the lawyers' office in several large piles, and the lawyer, instead of working on the files that need to be worked on at that particular point in time, is glancing at these files wondering whether there is something more urgent to do in those piles than he or she is working on at the present

time. By having a diarization system that the lawyer can rely upon, the lawyer need not worry about files until they come upon his or her desk and, therefore, the energy that used to go into the needless worry can be put into productive work.

The other advantage of diarization systems is that they can be implemented and run by office staff rather than the lawyer themselves. In that way, the lawyer is not spending hours retrieving and shuffling files but is, rather, doing work on files that have been presented to him or her.

Closing files:

For people who have been in practice for a significant period of time, closed files can be the bane of your existence. First of all, they take up an incredible amount of space which can be very costly. The other thing that often happens is that a client will come to the office and inquire about something that will require the lawyer to retrieve a closed file. Keep these issues in mind when setting up a system for closing files. It is important and essential to have a system that allows for an easy retrieval of a closed file. To facilitate this, a numbering system, as well a location becomes essential.

On individual files, it is once again important to have a consistent protocol for filing closed files. Some electronic systems have a closing file checklist that may be placed on the file and reviewed. Some of the important questions to ask when anticipating the closure of a file are as follows:

- (1) Has the retainer been completed?
- (2) Has the file been billed?
- (3) Are there any monies in trust?
- (4) Are there any outstanding disbursements?
- (5) Are there any documents that should be returned to the client?
- (6) Have I properly reported to the client?

Once the reporting protocol has been checked off by the lawyer, the file can then be placed into the closing system.

Two things are important to stress. Firstly, make sure that the client has received a reporting letter. This letter can be used by the lawyer for several purposes such as:

- (1) Public relations;
- (2) Clarifying with the client the conclusion of the work;
- (3) Returning documents to the client;
- (4) Tying up any loose ends to alleviate potential future obligations on the lawyer;
- (5) Providing a quick summary of the file in one document to assist anyone who may have to look at that file in the future.

Secondly, closing the file, returning the documents and providing this report should be done as soon as possible after the work is done because that is when the information on the file is freshest

in the lawyer's mind. This also allows for the destruction of the file at a later point in time without a great deal of time put into making these decisions at a later time when you are no longer familiar with the file.

You should also create a policy around the destruction of files, keeping in mind the requirements of the Law Society and Revenue Canada.

Conclusion:

Files are very much like a living being, and it is important that the lawyer take care to nurture them throughout their life-cycle.