



Accruals & Accruals Reports Training

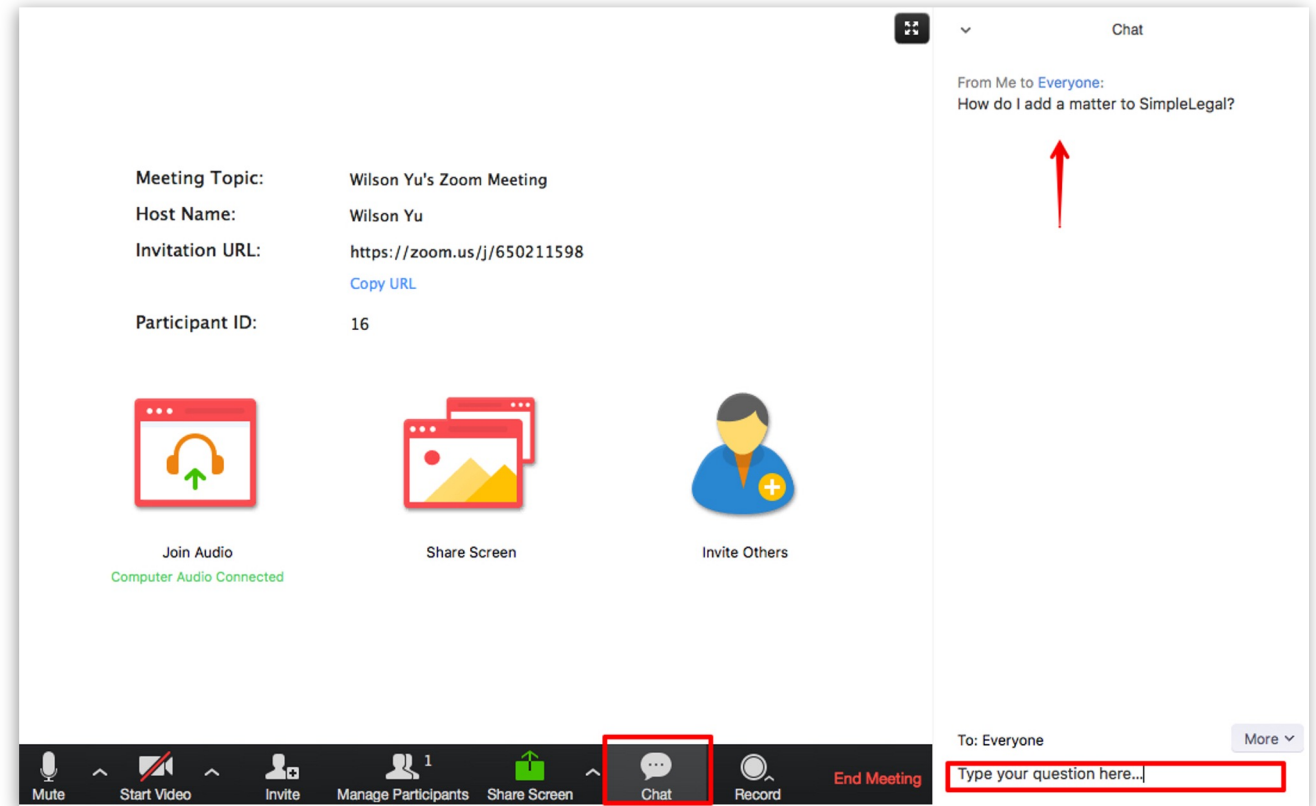
Hi, I'm Kinda! 🙋

- Customer Education Manager
- Based in Houston, TX



How to participate

- Audio is muted
- Use the Q+A and chat to ask questions and participate in discussion
- Meeting is being recorded and a link will be sent to you at the end of the session.



Agenda

- Types of Accruals
- Accrual Definitions and Cycle
- Law Firm Participation and Training
- SimpleLegal Accruals
 - Configuration
 - Notify and Collect
 - Accrual Reports
- SimpleLegal Support Resources

Reflect

Are you currently collecting and tracking accruals?

Types of Accruals

Fee & Expense amounts that **haven't been billed yet (WIP)**

Fee & Expense amounts that **haven't been approved yet**

Accrual Estimates

Pending Invoices

Missing Information

Rejected Invoices

Fee & Expense amounts were **potentially incurred**, but no real evidence

Fee & Expense amounts that were billed but were **rejected by Legal**



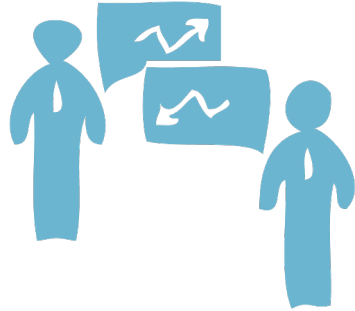
Accrual Definitions

- Legal and Accounting Definitions May Differ!
 - Accounting – Pending Invoices
 - Finance thinks of Accruals as Pending Invoices
 - Includes SimpleLegal invoices in Received, On Hold, Approved Statuses
 - Legal – Unbilled Work (WIP)
 - Legal thinks of Accruals as Unbilled Time
 - Estimated amounts submitted on a monthly basis

Accrual Cycle

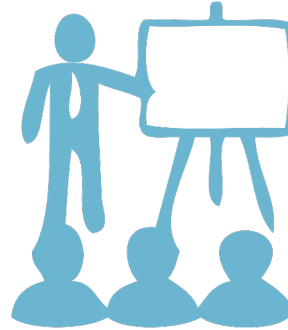
- Accrue Monthly
- 4-4-5 and other Fiscal Calendars
 - Always ask your firms for accruals estimates on a monthly basis for a calendar year
 - Adjust timing of automated notifications as needed

Law Firm Participation



Communication

1. Tell them why it is so important
2. Involve more than billing contact
3. Share expectations & process



Training

1. Schedule ongoing trainings
2. Provide training deck

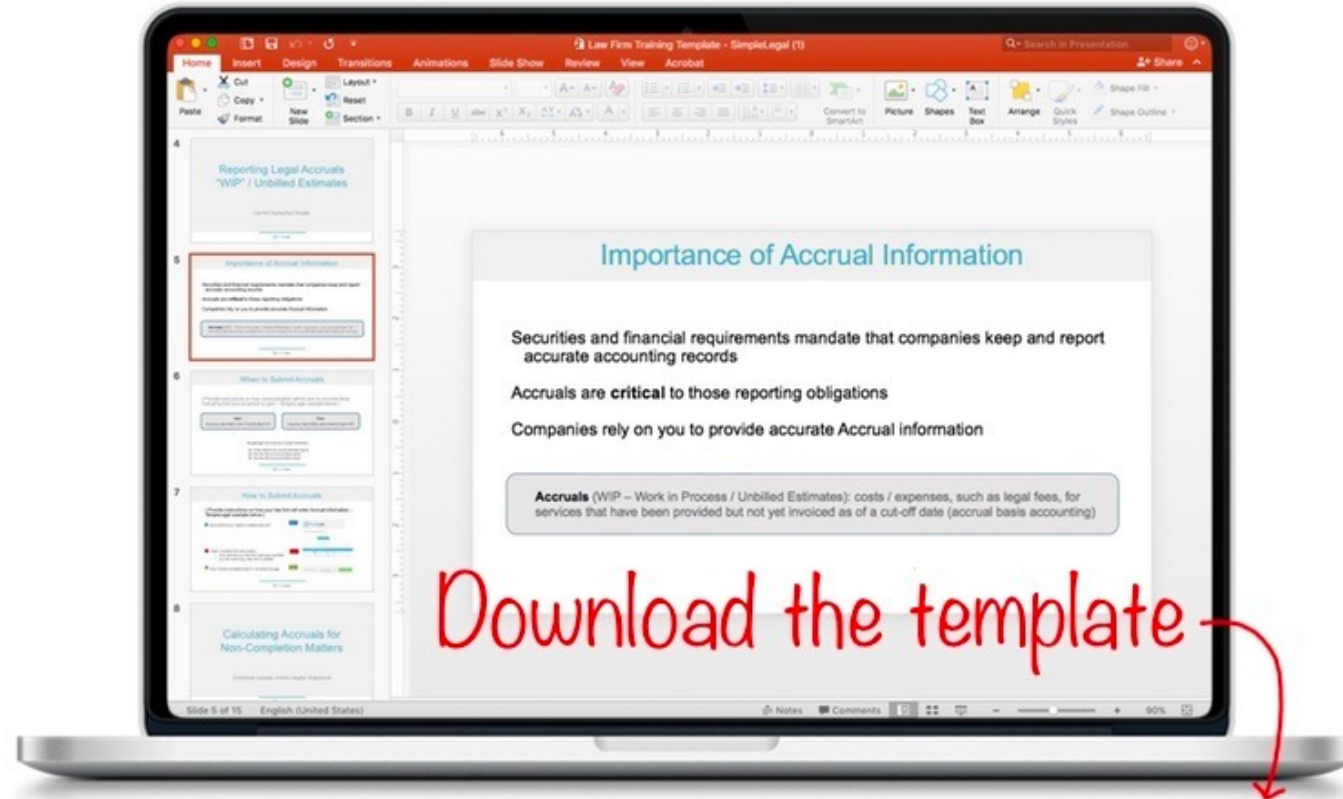


Feedback

1. Immediate replies for red flags
2. Continuous feedback over time

Shareholders ← CEO ← CFO ← GC ← Legal Ops ← Law Firms
It's not just an accounting exercise.

Accruals Law Firm Training Template



<http://bit.ly/accruals-law-firm-training-template>

Accruals in SimpleLegal

SimpleLegal Accruals Setup

Step 1

- Set the default schedule for Accruals, for both the notifications and the last day to submit accruals

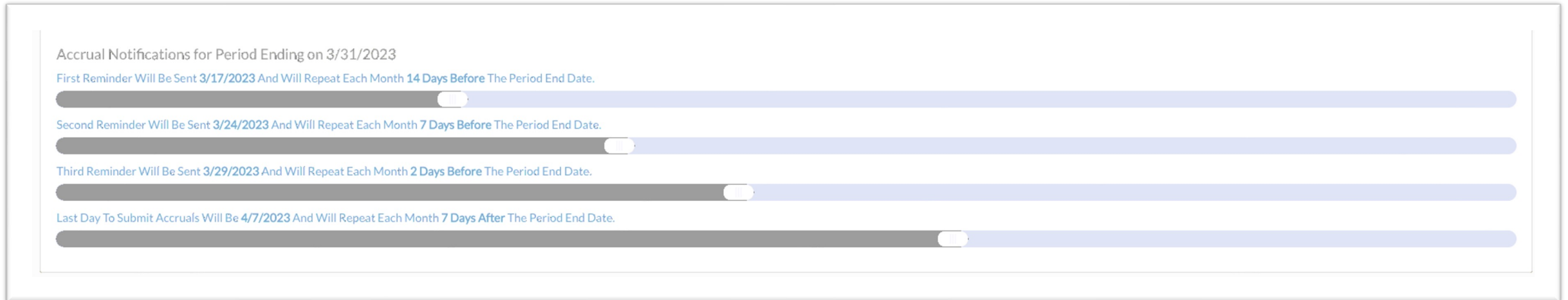
Accrual Notifications for Period Ending on 3/31/2023

First Reminder Will Be Sent 3/17/2023 And Will Repeat Each Month 14 Days Before The Period End Date.

Second Reminder Will Be Sent 3/24/2023 And Will Repeat Each Month 7 Days Before The Period End Date.

Third Reminder Will Be Sent 3/29/2023 And Will Repeat Each Month 2 Days Before The Period End Date.

Last Day To Submit Accruals Will Be 4/7/2023 And Will Repeat Each Month 7 Days After The Period End Date.

The screenshot shows a configuration interface for accrual notifications. It features four horizontal sliders, each with a dark grey track and a light blue track. A white slider knob is positioned on each track. The text above each slider specifies the date and frequency of the notification. The first slider is set to 14 days before the period end date, the second to 7 days before, the third to 2 days before, and the fourth to 7 days after the period end date.

SimpleLegal Accruals Setup

Step 2

- Turn Accruals on at the system level and/or for individual vendors
- Modify the last day to submit accruals for that Accrual Period at the system level and/or for individual vendors

<< Back to Accruals Report

Accruals Settings

Period March 31, 2023 current period	Accruals Schedule March 17, 2023 first emailed request March 24, 2023 second emailed request March 29, 2023 final emailed request April 5, 2023 due date communicated to vendors April 7, 2023 expiration date to submit	Accruals currently <input checked="" type="checkbox"/> ON Update all Accrual Expiration Dates Update all...
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Vendor List (8)

100 Vendors Filter:

Vendor	Accrual Contact		Expiration	
Acme LLP	Larissa kinda.nehlawi+larissa@simplelegal.com	<input checked="" type="checkbox"/> ON	2023-03-07	
Jenkinson Partners	Dwayne Dixon kinda.nehlawi+5@simplelegal.com	<input checked="" type="checkbox"/> ON	2023-03-07	
Jones & Jones LLP	Zac Bedford kinda.nehlawi+vendor5@simplelegal.com	<input type="checkbox"/> OFF		
Kirk & Ellis	Zaya Al kinda.nehlawi+zz@simplelegal.com	<input checked="" type="checkbox"/> ON	2023-03-07	

SimpleLegal Accruals Process

Step 1 – Email Notification with link to the Accruals form is sent to the Accruals contact assigned on Vendor profile

- If an Accruals contact is not designated the email will be sent to the primary contact on the Vendor profile



Hi Jack Doe,

Saturn Incorporated is requesting an estimate for unbilled activity (accrual) through February 28, 2023.

You can submit your unbilled activity estimate at

<https://csm1.eb.sales.simplelegal.io/accruals/view/7268ee302c03434eb439238b286005d7/>

Please submit your Unbilled Estimates by February 27, 2023

If Vendor B anticipates no unbilled time, please click through and submit so that Saturn Incorporated gets the "Zero" estimate.

If you are not the right person to fulfill this request, please forward this email to the appropriate person in your organization.

Let us know if you have any questions, or if we can help in any way!

We Have No Unbilled Activity

Submit Unbilled Amount

SimpleLegal Accruals Process

Step 2 - Vendor Accrual contact completes the form with estimates for assigned matters, designating a \$0 if no unbilled time exists for a particular matter

- Closed matters will be included in the email in the event unbilled time exists for those matters
- 'Other' category can be available for any missing or unopened matters

Request for Unbilled Activity Estimate - February 2023

Zaya Inc. SimpleLegal Support None	Jenkinson Partners Jenkinson Partners Dwayne Dixon
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Last Invoice Date Feb. 2, 2023	Last Worked Date Feb. 2, 2023	Amount Billed in Feb 2023 \$2,588
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Unbilled Activity Estimates for February 2023

Client Matter	Feb 2023	Comment
Zaya Ltd. Americas - For services rendered: Client Matter ID: zaya-inc-104369	0	Optional...
Zaya Ltd. Mexico - Legal advice for employee visa: Client Matter ID: zaya-inc-104974	0	Optional...
IP No. 45: Client Matter ID: zaya-inc-104907	0	Optional...

SimpleLegal Accruals Process

Step 3 – You can view Accruals per vendor in the Accruals page

- You may view the Accruals and/or resend the request to Vendors until the due date
- After the due date, the Accrual period is locked down

The screenshot shows the SimpleLegal interface for the 'Accruals Report - Unbilled Activity Estimate by Month'. The header includes the SimpleLegal logo, a navigation menu with 'Invoices' selected, a search bar, and a user profile icon. The main content area features a sidebar with navigation icons, a title 'Accruals Report - Unbilled Activity Estimate by Month', and buttons for 'Download CSV' and 'Manage Accruals'. Below the title, there is a 'Records Per Page' dropdown set to 10 and a 'Filter:' input field. The table displays data for five vendors across four months: Nov 2022, Dec 2022, Jan 2023, and Feb 2023. The table includes columns for Vendor, Invoice Received status, and monthly amounts.

Vendor	Nov 2022	Dec 2022	Jan 2023	Feb 2023
Acme LLP Invoice Received: never	\$10,000	-	-	-
Jenkinson Partners Invoice Received: 2023-02-28	-	-	\$4,600	-
Kirk & Ellis Invoice Received: never	-	-	-	-
Mar Jones LLP Invoice Received: never	\$13,600	\$10,000	-	-
Vendor X Invoice Received: never	-	-	-	-

Navigation: ← Previous 1 Next →

Things to note

- Accrual settings
 - Turn on/off for a particular Matter Group, Matter or Vendor
 - Split Accruals can be set by SimpleLegal to require estimates for prior period and current period each month – at your request
 - Allow accruals on “Other” category for missing/unopened matters
- Accruals may be submitted against all assigned matters in a single currency selected by the vendor

Demo

SimpleLegal Accrual Reports

<p>Accruals Report Page</p> <p><i>Click Accruals from the left-side navigation.</i></p>	<p>Shows which vendors have and have not submitted unbilled estimates for the current and most recent reporting periods.</p>
<p>Accruals Validation Export Report</p> <p><i>Go to Reports > Built for You > Version 1.</i></p>	<p>Provides finance teams with a more thorough report to help with verifying vendor estimates. This exports a sortable Excel spreadsheet that highlights potential issues by:</p> <ul style="list-style-type: none">• Comparing the previous period's estimate to the actual billed amount since then• Comparing the previous period's estimate to the current period's estimate• Providing the delta between the two

SimpleLegal Accrual Reports

<p>Accruals vs. Actuals Report</p> <p><i>Go to Reports > Standard.</i></p>	<p>Compares monthly estimates submitted by vendors to their actual billed amounts.</p>
<p>Missing Accruals Report</p> <p><i>Go to Reports > Built for You > Version 1.</i></p>	<p>Helps validate vendor compliance with the accrual submission process by showing vendors who have not submitted estimates for the current period. It also shows the following for those vendors:</p> <ul style="list-style-type: none">• Their estimates for the previous month• Any actual billed amounts since then <p>For example, if a vendor has not submitted an estimate for the current period but estimated \$50,000 the previous month, this report can be used to check if there has been any billing activity since the last estimate. If not, the finance team could record an accrual entry on behalf of the vendor or reach out to the vendor to confirm if the estimate is now \$0.</p>

SimpleLegal Accruals – Other Reports

- Pending Invoices
 - Reports > Standard > Invoice List Report
- Rejected Invoices
 - Reports > Standard > Invoice List Report
 - Note that not all companies include Rejected invoices in their monthly Accruals reporting since
 - Invoice may have been resubmitted in the same period so it would be duplicated in reporting
 - Amount of the rejected invoice may be partially or fully written down by the Vendor before resubmission

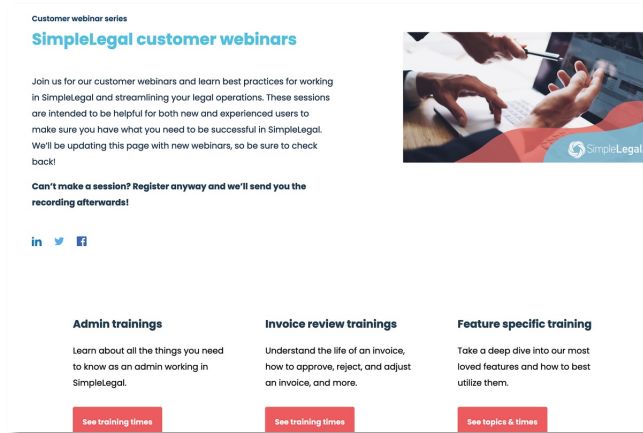
SimpleLegal Learning Center – Accruals

- [Accruals Success Kit](#)
- Brief Guides and Quick Reads
 - [What legal ops should know about monthly accruals in 2021](#)
 - [Accruals Management Part 1 – Why are they so important?](#)
 - [Accruals management part II: best practices for improving your accruals process](#)
- Detailed Guides and Templates
 - [ACC Legal Ops: 5 Accruals management best practices from Fitbit & Veritas](#)
 - [Beginner’s Guide to accruals management legal departments](#)
 - [Accruals communication kit for legal operations](#)
 - [Law Firm training template for accruals management](#)

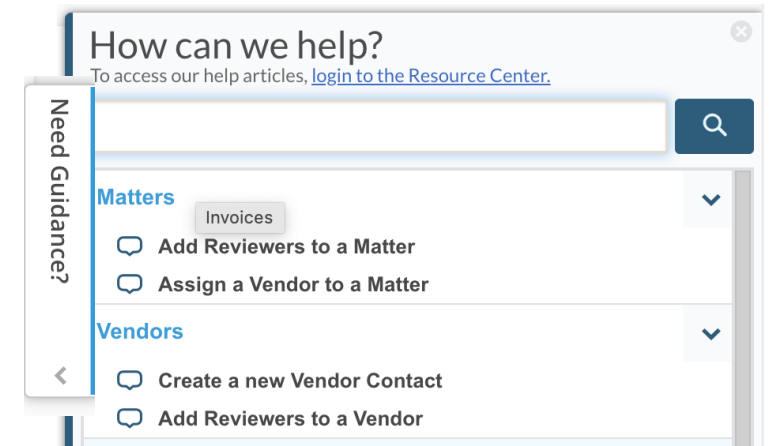
Resources



Browse the *Resource Center* in SimpleLegal for answers to commonly asked questions



Register for another **training session** or catch us at an **office hours** session



Access step-by-step walkthroughs in your SimpleLegal site

Questions

Thank you!