

# Oregon Law Practice Management

Practice Management Tips for Oregon Lawyers



## Should You Be Charging Flat Fees?

A recent [Business Journal](#) post suggests that the number of clients requesting flat fee arrangements in Oregon has doubled in the past year.

Why would clients prefer a flat fee?

- Certainty – the client knows up front *exactly* what your services will cost.
- Budgeting – if the client knows what it's going to cost, he or she can plan appropriately.
- Negotiating room – flat fees may offer a client more bargaining room if the lawyer is willing to commit to volume legal services.

Flat fee arrangements may or may not include costs. This should be clearly spelled out in your fee agreement. Hybrid contracts – a mixture of flat fee and hourly billing – are also becoming more common. If the hourly rate is triggered by a particular event, or when you reach a certain stage in the case, describe the event or stage in a way that leaves no doubt in the client's mind. [Remember, if a fee agreement is ambiguous, it must be construed against the lawyer.](#)

Flat fees earned upon receipt (payable up front) are subject to strict regulation by the bar. Read and understand [OSB Formal Ethics Opinion 151](#). Never call these fee arrangements “nonrefundable.” Fees are always subject to refund if the work is not done.

For more information on this subject, see [The Ethical Oregon Lawyer](#). For a collection of fee agreements that comply with the ethical rules, consider purchasing the [Fee Agreement Compendium](#). Both are included in the Oregon State Bar [BarBooks](#) subscription. Additional fee agreements are available on the [PLF Web site](#). Select Practice Aids and Forms, then Engagement Letters.

When charging flat fees, be sure to track your time. If you disengage from the case early or the client terminates your services, it will be easy to calculate the refund due the client. Tracking

your time will also allow you to monitor whether your flat fee needs adjustment based on the amount of time spent on a particular type of matter.

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