

## FIRM VS. MEMBER EXPENSES

**GENERAL POLICY:** Culhane's low-overhead structure permits us to distribute 80-95% of all revenue directly to our members (compared to the national law firm compensation average of just 39%). Accordingly, Culhane's operational budget is limited by design and is only intended to cover core business functions for the benefit of the entire partnership. Additional expenses that relate to individual members or practice groups are intended to be borne by those who directly benefit.

This document serves as a *general* guide for how categories of expenses are shared between the firm and the members and is not intended to be an exhaustive list.

### **ILLUSTRATIVE EXAMPLES OF FIRM-PAID EXPENSES:**

- Lawyer Professional Liability/Malpractice insurance premiums
- Professional mail processing/forwarding services
- Firm-level business registration/license fees
- Firm-level state/local taxes
- Firm-level CPA services (e.g., annual issuance of K-1s, non-resident composite income tax filings where applicable)
- Banking fees, including IOLTA compliance requirements in each CM jurisdiction
- Administrative Back Office Services
  - HR function for new partners/onboarding
  - processing of conflict checks
  - setting up digital folders for new clients/matters in DMS
  - adding clients/matters to B4T
  - preparing pre-bills for partner review
  - issuing monthly invoices (and sending them out at partner's option)
  - A/R and accounting reports 3x per week
  - interface with broker on benefits enrollment
  - receive and apply client payments
  - draw reports and processing
- Marketing and Promotion of Culhane's Brand
  - website maintenance
  - marketing templates for pitches/RFI responses
  - video productions (from time to time)
  - social media promotion and management
  - facilitation of legal credentials/awards deadlines (e.g., U.S. News, Best Lawyers, SuperLawyers, Martindale-Hubbel, Best Law Firms for Women, Chambers)
  - business card expenses
  - unified email signature block software
- Public Relations Services
  - retained national professional PR agency (currently based in NYC)
  - onboarding interview with PR team to help determine strategies to promote partner in media outlets
  - available to help get articles or op-eds placed, including editing and presentment to different media outlets
  - Identifying interview opportunities for partners to present as SMEs
- Secure Business IT Platform (includes Office 365 Business Suite software subscription plus DMS, SharePoint, Exchange server, Teams for collaboration/video conferencing, etc.)
- Centralized CM phone number and individual voicemail-to-text service with email delivery
- WBE and NAMWOLF membership dues and travel expenses for Leadership Team participation
- Partial subsidization of annual partner retreat (usually including 3-5 hours of CLE)

### **ILLUSTRATIVE EXAMPLES OF MEMBER-PAID EXPENSES:**

- Individual Professional Licensure (e.g., bar dues, CLE, local professional/business license)

- Home Office (e.g., laptop computer and personal software options, printer/scanner, smartphone, highspeed Internet)
- Professional Resources (e.g., journal/treatise subscriptions, online research databases specific to their practice area, transactional form guides, periodicals)
- Personal Marketing and Networking (e.g., client meals/entertainment, travel to conferences, membership dues, donations/sponsorships for local bar events or chambers of commerce)
- Business Development (e.g., responding to RFIs, preparing handouts/slides, Admin costs to pull data for client diversity surveys)
- Local Office Meetings (e.g., meals, travel costs, activity costs)
- Incoming/Outgoing Payment Fees (e.g., credit card processing fees, wiring fees)
- Physical Office Space (e.g., personal executive suite, conference room rentals)
- Annual Partner Retreat (transportation plus partner contribution typically covers meals and hotel)
- Lexis subscription monthly fees through firmwide Lexis contract
- IP-specific expenses as described on the separate IP Practitioner Cost Guide\*
- Personal Support Resources (e.g., admin assistant, paralegal)\*
- Docketing Fees for Litigation and IP practitioners\*

\*Many of these costs can typically be passed through to clients, but some partners choose to absorb the costs themselves.