

Law Firm Accounting & Payroll Review

A 5-minute assessment to evaluate if your accounting function is ready to scale with your organization.



1. Financial Visibility & Close Process	Yes	No
We receive accurate financial statements at least quarterly (preferable monthly).	<input type="checkbox"/>	<input type="checkbox"/>
Our balance sheet accounts (cash, credit cards, AR, AP,) are reconciled monthly.	<input type="checkbox"/>	<input type="checkbox"/>
We trust our numbers enough to make decisions without "gut checking" them.	<input type="checkbox"/>	<input type="checkbox"/>
We have a documented month-end close process with clear ownership and deadlines.	<input type="checkbox"/>	<input type="checkbox"/>
2. Cash Flow & Working Capital		
We understand our monthly breakeven point (facility, staff, and overhead).	<input type="checkbox"/>	<input type="checkbox"/>
We maintain least 1-2 months of operating expenses in cash reserves.	<input type="checkbox"/>	<input type="checkbox"/>
AR, unbilled time, and collections are reviewed promptly.	<input type="checkbox"/>	<input type="checkbox"/>
We use forecasts or projections to anticipate cash needs, tax payments, and purchases.	<input type="checkbox"/>	<input type="checkbox"/>
3. Accounting Team Structure & Capacity		
Accounting responsibilities are clearly defined and not spread across many roles.	<input type="checkbox"/>	<input type="checkbox"/>
Critical accounting and reporting tasks do not depend on a single individual.	<input type="checkbox"/>	<input type="checkbox"/>
Partners are not regularly pulled into correcting bookkeeping or payroll issues.	<input type="checkbox"/>	<input type="checkbox"/>
Staff absences or turnover do not delay reporting or disrupt operations.	<input type="checkbox"/>	<input type="checkbox"/>
4. Technology & Automation		
Our practice management software integrates cleanly with our accounting system.	<input type="checkbox"/>	<input type="checkbox"/>
Daily production and collections reports tie to our financial statements.	<input type="checkbox"/>	<input type="checkbox"/>
Manual journal entries are limited and intentional—not correcting system gaps.	<input type="checkbox"/>	<input type="checkbox"/>
Our systems can scale as we add attorneys, staff, practice areas, or offices..	<input type="checkbox"/>	<input type="checkbox"/>
5. Payroll, AP & Operational Processes		
Payroll is automated and properly categorized.	<input type="checkbox"/>	<input type="checkbox"/>
Total compensation cost is monitored against revenue and profitability targets.	<input type="checkbox"/>	<input type="checkbox"/>
Vendor bills follow a consistent approval process.	<input type="checkbox"/>	<input type="checkbox"/>
Owner compensation is structured intentionally and reviewed regularly.	<input type="checkbox"/>	<input type="checkbox"/>
6. Reporting & Decision Support		
Leadership reviews financial performance at least monthly.	<input type="checkbox"/>	<input type="checkbox"/>
Reports go beyond a P&L to include production, collections, overhead, & profitability.	<input type="checkbox"/>	<input type="checkbox"/>
We track key KPIs (revenue by attorney, compensation ratio, realization etc.).	<input type="checkbox"/>	<input type="checkbox"/>
Financial discussions focus on improving margins and growth, not explaining variances.	<input type="checkbox"/>	<input type="checkbox"/>
7. Tax Strategy & Compliance Readiness		
We meet proactively with our tax advisor to discuss strategy—not just annual filing.	<input type="checkbox"/>	<input type="checkbox"/>
Our entity structure and owner compensation approach are intentional.	<input type="checkbox"/>	<input type="checkbox"/>
Our entity structure and compensation model are tax-efficient.	<input type="checkbox"/>	<input type="checkbox"/>
Accounting supports long-term growth planning, not just compliance.	<input type="checkbox"/>	<input type="checkbox"/>
Total Points (Yes=2, No=1)		

How To Use It

Review each category and statement and evaluate whether your current accounting and finance structure is supporting your growth or holding it back.

Check Yes or No for each statement. When scoring, add **2 points for Yes**, and **1 point for No**.

Quick Self Scoring

Scoring Points, Yes=2, No=1

48-56 - Financially Optimized

38-47 - Growth Ready, But Leaking Value

28-37 - At Risk of Financial Exposure

If You Scored 47 or Below:

Your accounting function is likely creating operational and financial risk. Schedule a full diagnostic with one of our Trout CPA professionals.

What's Next?

Consider a **Comprehensive Accounting & Finance Diagnostic** by Trout CPA to see if outsourced accounting services are right for you.

Request an estimate or speak with one of our professionals at <https://www.troutcpa.com/>