



Alabama State Bar Practice Management Assistance Program

Checklist for Retirement, Closing a Law Office, or Dissolution

Category	Description	Deadline	Assigned to	Completed
First Considerations	<ul style="list-style-type: none"> • Lawyers who have decided on their retirement date should notify the Alabama State Bar’s Membership Records Office at 334-269-1515. • In the event of the lawyer’s death or incapacitation, please contact the Alabama State Bar’s Membership Office at 334-269-1515. In addition, if no attorney is assisting in the closing of the office or the attorney’s files, please contact Laurie Blazer at 334-269-1515 to discuss having a trustee appointed. 			
Accounting	<p>Meet with your account to discuss:</p> <ul style="list-style-type: none"> • Law Firm structure and governance documents • Dissolution of firm entity. If application, file dissolution papers with the Alabama Secretary of State. • Post-retirement tax advice • Establish schedule for preparation of final financial statements and reconciliations • Determine schedule for final billing cycle and recordation of write offs 			

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Accounting	<ul style="list-style-type: none"> • Discuss notifications to federal and state agencies (retirement of FEIN, final returns, etc.). • If the lawyer is a member of an existing law firm, discuss firm’s retirement plans, if any. • Discuss Final payroll and payroll tax preparation; 1099s and W-2s. 			
Advertising	<ul style="list-style-type: none"> • Cancel any existing advertisements and legal industry directory listings. • If applicable, discontinue website subscription accounts. • Consider thank you letters to former and current clients, especially if taking a public position or job post dissolution. Consider sending letters to long time clients. 			
Banking	<ul style="list-style-type: none"> • Firm Accounts. Determine closure date for accounts; cancel firm credit cards; notify banker; arrange for emergency/wrap-up supply of monies. • Be sure that all bank account autodraft for services are terminated. • Trust Accounts. Prepare final reconciliation. • Is there other client property being held in trust that needs to be returned? • If needed, arrange for safe deposit box to store important firm documents that must be retained. 			
State and Local Bars	<ul style="list-style-type: none"> • Notify State and Local Bar Association of your new mailing address, and whether there is a change in membership status (i.e. active to retired). 			
Clients	<ul style="list-style-type: none"> • <u>The interest of your clients is paramount!</u> • Prepare mailing to active clients. Be certain the letter is clear about the termination of representation, and the closure date. It is important that you maintain a copy of these letters. Many lawyers opt to send via email and certified mail. • Determine if any inactive client should be notified. Specifically consider sending letters to long-term clients that routinely seek your advice. 			

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Dues and Licenses	<ul style="list-style-type: none"> Notify city and county occupational license offices. 			
Equipment	<ul style="list-style-type: none"> Determine disposition of equipment and/or equipment leases (printers, internet providers, phones, etc.). 			
Files	<p>The following steps apply to client files whether they are maintained in an electronic format or in paper format.</p> <ul style="list-style-type: none"> Prepare an inventory of your client files. Determine final disposition of your client files. Be certain that a letter has been sent to clients with active matters. (Check and double check). When necessary, prepare and file motions to withdraw. When releasing files to clients or new counsel, obtain a receipt. *Keep a copy of the file* You should maintain a copy of client files (electronic is acceptable so long as you do not have any original documents having intrinsic value) for a period of 6 years. See Formal Opinion 2010-02. Final retention schedule for closed client files. Arrange safekeeping for client and firm business files, reports, lists, final inventories. Who will be the caretaker of the stored client and firm business files? 			
Furniture	<ul style="list-style-type: none"> Determine final disposition of these assets and/or leases. Determine any buy-out options 			
Government	<ul style="list-style-type: none"> Determine which State and Federal offices should be contacted by the firm in addition to the filing of final tax returns by accountant. 			
Insurance	<ul style="list-style-type: none"> Cancel office liability insurance, life insurance, health insurance, workers compensation insurance policies, etc. Determine need for professional liability coverage for a time-period after cessation of practice. Consider COBRA options for health insurance and conversion options for health insurance, life insurance, and disability insurance. 			

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	<ul style="list-style-type: none"> • Discuss retirement plan, if any, with accountant, determine rollover options. 			
Lease	<ul style="list-style-type: none"> • If there is an existing lease, who will assume the obligation? Will there be a subtenant? Are the partners/shareholders personal guarantors? 			
Library, Legal Research	<ul style="list-style-type: none"> • Cancel subscriptions and on-line account. Determine disposal options for hard copies. Consider charitable donations or donation to new attorneys. 			
Mail and Messengers	<ul style="list-style-type: none"> • Determine need for a P.O. Box for wrap-up materials and post dissolution matters. • Cancel any shipping or express mail accounts. 			
Office Supplies	<ul style="list-style-type: none"> • Cancel subscriptions and on-line account. Determine disposal options for hard copies. Consider charitable donations or donation to new attorneys. 			
Personnel	<ul style="list-style-type: none"> • Determine need for out-processing assistance for support staff personnel. • Determine destruction date of firm's personnel files. • Discuss preparation of final W-2s with employees. • If applicable, discuss retirement plan rollover options with employees. • Discuss health insurance COBRA options with employee, if COBRA will be an option. 			
Space	<ul style="list-style-type: none"> • Determine move date and arrange moving service. • Coordinate move information with landlord, if applicable. • Determine if you need a storage unit and arrange the same. 			
Technology and software	<ul style="list-style-type: none"> • Determine disposal options for computer equipment and peripherals. Consider sale or charitable contribution. • Your hard drive contains information even if you deleted documents. Be sure all information is scrubbed from your computer or it is destroyed. • Explore maintaining email accounts and how you should move forward. See ABA's Guidance on Email Procedures • Determine the process for electronic backup or the firm's computer data. 			

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	<ul style="list-style-type: none"> • If currently using cloud storage, determine the need to keep this account open, or whether on-premise backup will be stored in a secure location. Determine the retention period for both electronic backup and any paper business files. See Formal Opinion 2010-02 regarding file retention and destruction of documents. 			
Telephones	<ul style="list-style-type: none"> • If cell phones are on a firm contract, arrange for termination or transition to new accounts. • Determine telephone service cut-off date for all phone lines, including private lines and fax lines. • Determine need for informational recording for callers past service cut-off date (i.e. a recording that gives callers a new number or an informational recording). • Determine disposal options (or lease termination options). • Be certain that phone companies let directory advertisements lapse upon renewal. • Determine what callers will be told while the closure/dissolution is in process. 			
Vendors	<ul style="list-style-type: none"> • Review accounts payable list to prepare notification to vendors to close accounts. • Determine if there are any pre-paid deposits, subscriptions, premiums, etc. owed to the firm. 			
What else?	<ul style="list-style-type: none"> • Make a list of anything else you need to complete prior to your departure. Good luck on your future endeavors. 			
Questions	<ul style="list-style-type: none"> • Don't forget you can always ask questions along the way! If you need assistance, please contact Autumn Caudell, Director of the Practice Management Assistance Program at 334-676-1515 or autumn.caudell@alabar.org. 			

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