



## 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"> <li>• Retiring lawyers who need to change their membership/license status, or those who will not be renewing their license, should notify the Alabama State Bar’s Membership Records Office at (334) 269-1515.”</li> <li>• 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.</li> </ul>			
Accounting	<p>Meet with your account to discuss:</p> <ul style="list-style-type: none"> <li>• Law Firm structure and governance documents</li> <li>• Dissolution of firm entity. If application, file dissolution papers with the Alabama Secretary of State.</li> <li>• Post-retirement tax advice</li> <li>• Establish schedule for preparation of final financial statements and reconciliations</li> <li>• Determine schedule for final billing cycle and recordation of write offs</li> </ul>			

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Accounting	<ul style="list-style-type: none"> <li>• Discuss notifications to federal and state agencies (retirement of FEIN, final returns, etc.).</li> <li>• If the lawyer is a member of an existing law firm, discuss firm’s retirement plans, if any.</li> <li>• Discuss Final payroll and payroll tax preparation; 1099s and W-2s.</li> </ul>			
Advertising	<ul style="list-style-type: none"> <li>• Cancel any existing advertisements and legal industry directory listings.</li> <li>• If applicable, discontinue website subscription accounts.</li> <li>• 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.</li> </ul>			
Banking	<ul style="list-style-type: none"> <li>• Firm Accounts. Determine closure date for accounts; cancel firm credit cards; notify banker; arrange for emergency/wrap-up supply of monies.</li> <li>• Be sure that all bank account autodraft for services are terminated.</li> <li>• Trust Accounts. Prepare final reconciliation.</li> <li>• Is there other client property being held in trust that needs to be returned?</li> <li>• If needed, arrange for safe deposit box to store important firm documents that must be retained.</li> </ul>			
State and Local Bars	<ul style="list-style-type: none"> <li>• 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).</li> </ul>			
Clients	<ul style="list-style-type: none"> <li>• <b><u>The interest of your clients is paramount!</u></b></li> <li>• 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.</li> <li>• Determine if any inactive client should be notified. Specifically consider sending letters to long-term clients that routinely seek your advice.</li> </ul>			

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Dues and Licenses	<ul style="list-style-type: none"> <li>Notify city and county occupational license offices.</li> </ul>			
Equipment	<ul style="list-style-type: none"> <li>Determine disposition of equipment and/or equipment leases (printers, internet providers, phones, etc.).</li> </ul>			
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"> <li>Prepare an inventory of your client files.</li> <li>Determine final disposition of your client files.</li> <li>Be certain that a letter has been sent to clients with active matters. (Check and double check).</li> <li>When necessary, prepare and file motions to withdraw.</li> <li>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.</li> <li>Final retention schedule for closed client files.</li> <li>Arrange safekeeping for client and firm business files, reports, lists, final inventories.</li> <li>Who will be the caretaker of the stored client and firm business files?</li> </ul>			
Furniture	<ul style="list-style-type: none"> <li>Determine final disposition of these assets and/or leases. Determine any buy-out options</li> </ul>			
Government	<ul style="list-style-type: none"> <li>Determine which State and Federal offices should be contacted by the firm in addition to the filing of final tax returns by accountant.</li> </ul>			
Insurance	<ul style="list-style-type: none"> <li>Cancel office liability insurance, life insurance, health insurance, workers compensation insurance policies, etc.</li> <li>Determine need for professional liability coverage for a time-period after cessation of practice.</li> <li>Consider COBRA options for health insurance and conversion options for health insurance, life insurance, and disability insurance.</li> </ul>			

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

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	<ul style="list-style-type: none"> <li>• 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.</li> </ul>			
Telephones	<ul style="list-style-type: none"> <li>• If cell phones are on a firm contract, arrange for termination or transition to new accounts.</li> <li>• Determine telephone service cut-off date for all phone lines, including private lines and fax lines.</li> <li>• 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).</li> <li>• Determine disposal options (or lease termination options).</li> <li>• Be certain that phone companies let directory advertisements lapse upon renewal.</li> <li>• Determine what callers will be told while the closure/dissolution is in process.</li> </ul>			
Vendors	<ul style="list-style-type: none"> <li>• Review accounts payable list to prepare notification to vendors to close accounts.</li> <li>• Determine if there are any pre-paid deposits, subscriptions, premiums, etc. owed to the firm.</li> </ul>			
What else?	<ul style="list-style-type: none"> <li>• Make a list of anything else you need to complete prior to your departure. Good luck on your future endeavors.</li> </ul>			
Questions	<ul style="list-style-type: none"> <li>• Don't forget you can always ask questions along the way! If you need assistance, please contact Chris Colee, Practice Management Advisor at 334-269-1515 or <a href="mailto:chris.colee@alabar.org">chris.colee@alabar.org</a>.</li> </ul>			

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