LEGAL fuel — The Practice Resource Center of The Florida Bar

CHECKLIST FOR LAWYER RETIREMENT, LAW OFFICE CLOSURE, OR LAW FIRM DISSOLUTION

PRACTICE RESOURCE CENTER DISCLAIMER: Many of the steps involved in closing a law firm, dissolving a law firm and finalizing retirement from the law practice are the same. Some of the options below may not apply to your situation, but many will. For specific questions, information and general help along the way, contact your Practice Resource Center Practice Management Advisor at 850-561-5616. NOTE: This Checklist is meant to be an initial list of action items when a lawyer has set a retirement date and/or is planning to close a law practice, including dissolution of the corporate entity. It is organized as a glossary and not in any particular order of priority. This checklist is yours to edit and tailor to your own particular situation. If an action item listed below does not apply to your situation, merely strike through it.

CLOSING DAY

CATEGORY	DESCRIPTION	DEADLINE DATE	DATE DONE	PERSON ASSIGNED	ACTUAL COSTS	POSSIBLE POST-DISSOLUTION COSTS
First things first	• Lawyers who have decided on their **retirement date** should notify The Florida Bar's Membership Records office at 850-561-5832.					
First things first	• In the event of the lawyer's death or incapacitation, contact the lawyer or law firm's inventory lawyers(s) to oversee the office closure or firm dissolution. For example, who will liaison with the accountant, collect receivables, etc. When proof of death or incapacitation is obtained, this documentation should be forwarded to The Florida Bar's Membership Records office.					
Accountant	Meet with your accountant to discuss: • Law firm structure and governance documents (e.g., buy-sell agreement). Valuation: Discuss whether it is necessary to conduct a firm valuation to determine amounts owed to the retiring partner/shareholder. Or, in the alternative, finalize agreement on how assets and liabilities will be apportioned. • Dissolution of firm entity. If applicable, file dissolution papers with the Florida Division of Corporations. • 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. • Discuss notifications to federal and state agencies (retirement of FEIN, final returns). • If the lawyer is a member of an existing law firm, discuss firm's retirement plan(s), if any. • Discuss final payroll and payroll tax preparation; 1099's and W-2's.					
Advertising/ Marketing	• Cancel any existing advertisements and legal industry directory listings. • If applicable, retire website subscription account. • Consider thank you letters to former and current clients, especially if taking a public position/job post dissolution.					
Banking	• Firm Accounts. Determine closure date for accounts; cancel firm credit cards; notify banker; arrange for emergency/wrap-up supply of banking supplies. • Be sure that all bank account direct pay arrangements for services and goods are terminated. • Trust Accounts. Prepare final reconciliation; notify Funding Florida Legal Aid (FFLA) of account closure date. Escheat to the State funds the firm is unable to return to clients per FS 717. • Is there other client property (non-cash) being held in trust that needs to be returned? (obtain receipts) • If needed, arrange for a safe deposit box to store important firm documents that must be retained.					
State Bar and Local Bar Associations	• Notify of new mailing address, and whether there is a change in membership status (e.g., active to retired).					
Clients	• The interests of your clients are paramount! • Prepare mailing to active clients. Be certain letter is clear about the termination of representation, and the closure time-frame. It is important that you maintain a (electronic or paper) copy of these letters. Many lawyers opt for sending this important notification by certified mail and by e-mail. • Determine if any inactive clients should be notified.					

	• See the *Files* section of this Checklist (e.g., disposition of files).					
Dues and Licenses	• Notify city and county occupational license offices. • Determine if any memberships will be converted to personal ownership.					
Equipment	• Determine disposition of equipment and/or equipment leases (buy-out options?). Consider charitable contribution, or sale.					
Business Files: Client Files, Office Files, Calendars, Task Lists (Diaries or Journals), Inventories	The following steps apply to client files whether they are maintained in electronic format or in paper format. Also see *Technology and Software* categories below. • Prepare an inventory of your client files. • Determine final disposition of client files. • Be certain that a letter has been sent to clients with active matters. • When practicable, arrange other counsel where necessary for active files. • Where necessary, prepare withdrawal motions or notices of substitution of counsel. • When releasing files to clients or new counsel, obtain a receipt. Keep a copy of the file. • Before copying a file in preparation of releasing it, cull the file of non-essential materials (e.g., non final work product materials). • 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, Fixtures, Accessories and Artwork	• Determine final disposition of these assets and/or leases (determine buy-out options on leased items, if desired). Consider sale vs. charitable contribution for firm's non-monetary assets.					
Government	• Determine which State and Federal offices should be contacted by the firm in addition to the filing of final tax returns by accountant.					

Checklist for Closing Your Law Office or for Dissolving the Law Firm

Insurance	• Cancel office liability insurance, life, health, workers comp insurance policies, etc. • Determine need for professional liability tail coverage. • Consider COBRA options for health insurance and conversion options for life and disability insurance. • Discuss retirement plans, if any, with accountant; determine rollover options.					
Lease (space)	• If there is an existing lease, who will assume the obligation? Will there be a subtenant? Are the partners/shareholders personal guarantors?					
Law Firm	• Entity Status: How long will the ***business entity*** of the law practice remain active after the law practice ceases? • See F.S. 608, 620, 621. • Who will be the caretaker or trustee?					
Library, Legal Research	• Cancel subscriptions and on-line accounts. Determine disposal options for hard copy and CD-ROM resources; consider charitable contributions.					
Practice Resource Center	• Don’t forget to call and ask questions along the way!					
Mail and Messengers	• Determine need for P.O. Box for wrap-up materials and post dissolution matters. • Cancel messenger/courier and express mail accounts. While e-mail accounts also will be cancelled (see below), determine need to keep one e-mail account open for post-dissolution inquiries.					
Office Supplies	• Determine disposition of excess supplies inventory; consider charitable contribution to Head Start, private or public schools.					
Personnel	• Determine need for out-processing assistance for support staff personnel. • Determine destruction date of firm’s personnel files. • Discuss preparation of final W-2’s with employees. • If applicable, discuss retirement plan rollover options with employees. Seek specialist’s advice, if necessary. • Discuss health insurance COBRA options with employees, If COBRA will be an option.					

Public Relations	• If necessary, determine need, short-term, for public relations consultant. Who may talk to the press?					
Space	• Determine move date and arrange moving service. • Coordinate move information with landlord, if applicable.					
Technology and Software	• Determine disposal options for computer equipment and peripherals. Consider sale or charitable contribution. • Scrub computers of software, firm and client information. TFB E.O. 10-02. • Terminate firm e-mail accounts.					
Technology and Software	• Determine the process for electronic backup of the firm's computer data. • If currently using cloud storage, determine the need to keep this account open, or whether on-premises backup will be stored in a secure location. Determine the retention period for both electronic backup and any paper business files.					
Telephones	• 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) for telephone equipment. Consider sale or charitable donation. • 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	• Review accounts payables list and prepare notification to vendors to close accounts. • Determine if there are any pre-paid deposits, subscriptions, premiums, etc., owed to the firm.					
What Else?						