

APPENDIX C – AFA & SHADOW BILLING IN COUNSELLINK

Liberty Mutual requires all law firms that participate in the Alternative Fee Arrangement (AFA) program submit their hourly “shadow billing” into CounselLink. We are asking firms to submit in CounselLink the hourly lines which underlie their flat fee work.

Please note: Previously, on matters in the AFA, firms were asked to submit their flat fee lines using UTBMS code P100. **Firms will no longer be required to use the P100 code for flat fee billing.** CounselLink will automatically pre-fill the line-item description as a Flat Fee with no UTBMS code.

When submitting individual shadow billing items, firms must submit the units, and not rates, on the line-item detail. Firms are to submit their hourly shadow billing in CounselLink on a quarterly basis (any exceptions to this timing must be approved by the Outside Counsel Manager). If the quarterly interval falls at the same time the firm is submitting its flat fee bill, the firm should include the hourly time for fees on the same invoice as the flat fee line-item. We understand, however, using the same invoice may not be possible for some firms due to a restriction in the firm’s time and billing system. Expenses can continue to be billed either with the flat fee line-items or quarterly in the invoice for hourly shadow billing.

“Shadow Billing” in CounselLink

In CounselLink, “Shadow Billing” is handled through the **“Stages”** defined for each Fee Structure that is assigned to each matter. For the AFA & Shadow Billing Fee Structures, there are two stages as follows:

1. The first stage is always for **“Detailed Hourly”** for shadow billing with hourly rates for each timekeeper level zeroed out.
2. The second stage is always the **“Flat Rate.”**

For Liberty Mutual, the CounselLink Fee Structure ID for AFA Shadow Billing is **“4452.”** In the example below, we will use the **“ABC AUTOMOTIVE PARTS V ALMS TEST”** matter with the AFA & Shadow Billing fee structures. To view the fee structures for matter, follow the steps listed below:

1. Go to the **“Matter Overview”** page for this specific matter as shown below.



The screenshot shows the CounselLink Matter Overview page for matter 11575. The page has a yellow header bar with the text 'Matters / Matter Overview' and 'The Law Firm/Vendor, Seinfeld, Martin, Murphy, Phillips & Dangerfield'. Below the header, there is a 'Back to Matter List' link. The matter details are shown: 'ABC AUTOMOTIVE PARTS v ALMS TEST - M:WC116-502487-00' and '11575'. The 'Matter Summary' section includes 'Type' (Coverage B), 'Status' (Active (05/15/2017)), and 'CounselLink Tracking #' (18285782). The 'Law Firms Assigned' section lists 'Seinfeld, Martin, Murphy, Phillips & Dangerfield (L... Fees 4452 - 20-10010 Liberty Mutual Rate)' and has a 'Fees' link. The 'Finance' section shows 'Approved' and 'Life o'.

2. Clicking the **“Fees”** link to display the **“Fee and Rate List”** page



[S1]

[S2]

Fee and Rate List		* Indicates Required Field
Law Firm		
Law Firm Name: Seinfeld, Martin, Murphy, Phillips & Dangerfield (LMO)		
Fee Description		
Fee Description		Fee Amt (USD)
Detailed Hourly		\$0.00
Administrative		\$0.00
Appellate Counsel		\$0.00
Attorney Group		\$0.00
Contractor		\$0.00
Expert		\$0.00
Handling Attorney		\$0.00
Hearing Rep		\$0.00
Junior Associate		\$0.00
Junior Partner		\$0.00
Law Clerk		\$0.00
Legal Assistant		\$0.00
Nurse Paralegal		\$0.00
Of Counsel		\$0.00
Paralegal		\$0.00
Process Server		\$0.00
Project Assistant		\$0.00
Runner		\$0.00
Senior Associate		\$0.00
Senior Partner		\$0.00
Shareholder/Managing		\$0.00
Technical Analyst		\$0.00
Third Party Attorney		\$0.00
Trial Specialist		\$0.00
Vice-President		\$0.00
Flat Rate		\$4,000.00

- a. Notice the two stages of rates under the “Fee Description” section.
- b. “**Detailed Hourly**” is the zero hourly rate amounts by timekeeper level for the first stage **[S1]** which will be used for the actual “shadow billing.”
- c. “**Flat Rate**” is the flat rate amount for the second stage **[S2]**.

Submitting Charges against an AFA

1. Using Your Firm’s Billing System

- a. All **Line-Item Descriptions** for AFA installments and Shadow Billing must include a prefix for the appropriate stage from your billing system or within the LEDES file as outlined below. Failure to add the prefix before the invoice is uploaded will result in the invoice being rejected. Please note, manual correction after the invoice is uploaded will result in inaccurate billing.
 - (1) Use prefix “[**S1**]” (entered as open bracket, letter ‘S’, number ‘1’, and close bracket) for the zero hourly shadow billing portion of your invoice. **Be sure the hourly rate is set to zero for the “[S1]” stage.** If one of the hourly lines contains a rate amount, the invoice will be rejected.
 - (2) Use prefix “[**S2**]” (entered as open bracket, letter ‘S’, number ‘2’, and close bracket) for flat fee portion of your invoice.
- b. Using the above matter example (“ABC Automotive Parts V. ALMS Test...”), the detail invoice line-item descriptions can be entered as shown below in your firm’s billing system: (**Note the prefixes highlighted below referencing** the “Stage” in the matter’s “Fee and Rate List” in CounselLink.)

Date	TKID	Description	Unit	Amount
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04/03/17	AA	[S1] Fact Investigation / Development	3.3	0.00
04/03/17	AA	[S1] Analysis/Strategy	2.4	0.00
04/10/17	AA	[S2] Flat Fee matter charge	1.0	4,000.00

