

## WHITE PAPER

# Using LexisNexis® PCLaw® Version 11 with Intuit® QuickBooks® Pro or QuickBooks Premier 2009, 2010 or 2011

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## Who Should Read This White Paper

This white paper is designed for law firms and their accountants in the United States who are considering or will be using LexisNexis® PCLaw® software in conjunction with US versions of Intuit® QuickBooks® Pro or QuickBooks Premier software for Microsoft® Windows®. The white paper will identify the key items firms and accountants need to consider before connecting PCLaw and QuickBooks Pro/Premier 2009, 2010 or 2011.<sup>1</sup>

### Overview

While many attorneys and law firms in the United States use QuickBooks Pro or QuickBooks Premier 2009, 2010 or 2011 for their billing and accounting tasks, they often find that the software does not sufficiently meet their needs. These versions of QuickBooks lack legal-specific billing and accounting capabilities. As a result, some attorneys and firms look to use PCLaw software in conjunction with these QuickBooks products to better meet their needs.

PCLaw software has the following advantages, helping attorneys and law firms keep their matters and finances organized and in control:

- Case and matter management capabilities.
- Client trust accounting workflows and safeguards.
- Legal-specific billing, such as the inclusion of timekeepers, client trust activity, client payments and soft costs on invoices.
- Legal Electronic Data Exchange Standard (LEDES)-compliant electronic billing.

With the advantages offered by PCLaw, why would a firm want to continue using QuickBooks? In some cases, the individuals doing the billing and accounting at the firm are already familiar with QuickBooks. For these firms, converting completely to PCLaw would require time-consuming retraining. In other cases, firms that use an outside accounting resource often do not have the flexibility to “force” that resource to adopt PCLaw. Lastly, some firms want to be able to do their billing, accounting, tax filing and reporting in-house and want to take advantage of the features that both PCLaw and QuickBooks offer.

Recognizing this fact, LexisNexis introduced the ability for customers to share their PCLaw data with specific US versions of QuickBooks Pro/Premier for Microsoft Windows. PCLaw 9 was the first version of PCLaw to include a data-sharing capability. In PCLaw 9 (and subsequent versions), customers can export their PCLaw general ledger data from closed periods into supported versions of QuickBooks.<sup>2</sup>

PCLaw 11 expands the data-sharing capability between the products. PCLaw 11 customers who choose to share their PCLaw data with versions of QuickBooks supported by LexisNexis® can establish a more robust export between the applications and transfer all of their PCLaw accounting data to QuickBooks. Currently, the data-sharing capability in PCLaw 11 is only supported with US versions of QuickBooks Pro/Premier 2009, 2010 and 2011 for Microsoft Windows.

To determine if activating the data transfer from PCLaw 11 to one of these supported versions of QuickBooks provides a good overall solution for your firm, you should identify which tasks and processes you will do in each product. By identifying the desired workflow up front, you can help ensure that your data will be accurate in both software applications.

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<sup>1</sup> **Note:** Intuit has declared that live technical support and add-on business services for QuickBooks Pro 2009 and QuickBooks Premier 2009 will be discontinued as of May 31, 2012. See <http://support.quickbooks.intuit.com/support/articles/INF12842>.

<sup>2</sup> For a list of versions supported by PCLaw 9, visit <http://support.lexisnexis.com/pclaw/record.asp?ArticleID=10106#2>.

## Differences in Data-Sharing with QuickBooks Pro/Premier: PCLaw 9, 10 and 11

As mentioned above, customers on PCLaw 9 and 10 have the ability to export their PCLaw general ledger data from closed periods into supported versions of QuickBooks Pro/Premier. Should they choose to do so, they can maintain that same export capability upon upgrading to PCLaw 11. However, upgrading to PCLaw 11 also offers the opportunity to expand that data-sharing capability through new functionality included in that release.

**Table 1: Differences in PCLaw Data-Sharing with QuickBooks Pro/Premier: PCLaw 9, 10 and 11**

PCLaw 9 and 10 Data-Sharing with QuickBooks Pro/Premier	PCLaw 11 Data-Sharing with QuickBooks Pro/Premier
Only the PCLaw Chart of Accounts list is exported to QuickBooks Pro/Premier. Special accounts in PCLaw are exported to QuickBooks Pro/Premier as regular accounts (e.g. bank accounts, accounts receivable, accounts payable).	The following items are transferred from PCLaw to QuickBooks Pro/Premier: static lists (explanation codes, general ledger accounts, department codes, job types, etc.), matters, clients, vendors, client expense accounting entries, accounts payable, general checks and receipts, payments, trust checks and receipts, general journal entries, invoices/bills and write-ups/write-downs.
All PCLaw transactions from closed periods are exported to QuickBooks Pro/Premier as general journal entries.	All PCLaw transaction types from any date range are exported to QuickBooks Pro/Premier.
A two-step process is necessary to get the general ledger data from PCLaw into QuickBooks Pro/Premier. First, PCLaw general ledger balances must be exported to a file (*.iif format), then the file can be imported into QuickBooks Pro/Premier.	All PCLaw transactions are exported directly into QuickBooks Pro/Premier in a single step.
Exporting data a second time from PCLaw to QuickBooks Pro/Premier for the same period will create duplicate entries in QuickBooks Pro/Premier.	The export from PCLaw to QuickBooks Pro/Premier is designed to be run as often desired—entries modified in PCLaw will be updated in QuickBooks Pro/Premier.
The data exported to QuickBooks Pro/Premier is completely independent of PCLaw. Any changes made in PCLaw to the exported entries will not be transferred to QuickBooks Pro/Premier.	Once synchronized, PCLaw and QuickBooks Pro/Premier transactions are internally linked to each other. This allows for future changes to entries in PCLaw that have already been exported to be updated in QuickBooks Pro/Premier.

## Benefits of the Improved Data-Sharing Capabilities in PCLaw 11

Firms using the improved data-sharing capabilities in PCLaw 11 can:

- Allow their internal accounting staff to continue using the program they know—no retraining required.
- Provide their external accountants with the data needed, in the QuickBooks format they prefer or require, without causing extra work for the firm’s staff.
- Ensures their client trust accounts are up-to-date and accurate, with built-in safeguards in PCLaw.
- Meet client-specific billing needs—such as electronic bill requirements—easily in PCLaw.
- Generate bills for multiple clients and/or matters simultaneously in PCLaw.

## Which Tasks to Perform in PCLaw and QuickBooks Pro/Premier When Sharing Data

### Option #1: Use PCLaw 11 for All Billing and Accounting Transactions

This option allows firms to perform all billing and accounting tasks in PCLaw, but offers the opportunity to generate financial statements, print 1099s and prepare tax data in QuickBooks Pro/Premier, if needed. Under this option, you will set up all clients, matters and vendors in PCLaw, and enter all financial transactions there as well. **Option #1 is recommended.**

**Table 2: Benefits and Cautions Associated with Option #1**

Benefits of Option #1	Cautions Associated with Option #1
Provides a single data entry point for billing and accounting transactions.	Cannot use QuickBooks Pro/Premier banking download capabilities.
Allows firms to take advantage of e-billing, trust accounting and other PCLaw 11 features.	Cannot use QuickBooks Accountant copy to create journal entries and send them to QuickBooks Pro/Premier.
Transfers general ledger entries seamlessly from PCLaw 11 to QuickBooks Pro/Premier.	

**Table 3: Where Individual Tasks Are Performed Under Option #1**

Task	PCLaw 11	QuickBooks Pro/Premier	Comments
All Case or Matter-Related Transactions	X		
Non-Matter Related Accounts Payable Entries	X		
Non-Matter Related Checks	X		
Non-Matter Related Receipts	X		
Non-Matter Related Billing	X		e.g. expense-sharing among lawyers.
Journal Entries	X		
Bank Reconciliation	X		
Generate and/or Print 1099 Forms	X	X	1099 forms can be generated in and printed from either product.
Generate and/or Print Financial Statements	X	X	Financial statements can be generated in and printed from either product.
Payroll	X		Via PCLaw integration with ADP <sup>3</sup> .
Export Accounting Data to Tax Software		X	

### Option #2: Split the Financial Work between the Products

In this option, PCLaw 11 is used for “matter-related” time/expense capture, billing and accounts receivable, while QuickBooks Pro/Premier is used for firm accounting and accounts payable. This option allows firms to take advantage of more features in QuickBooks Pro/Premier compared to Option #1 above. However, it may

<sup>3</sup> Additional fees may be required. Please check with your LexisNexis® Certified Independent Consultant (CIC) or Account Manager for more information.

increase certain duties of staff, as billing and accounting activities are done in two systems, requiring general ledger accounts and vendors to be maintained identically, as well as duplicate entry of client costs. **Note:** This option requires care to ensure entries are not only entered into the appropriate system or systems, but also remain in balance with each other. For this reason, **Option #2 is not recommended.**

Journal entries may occur in both PCLaw 11 and QuickBooks Pro/Premier, but non-matter related accounts payable entries and bank account reconciliations must be performed in QuickBooks Pro/Premier, along with 1099 preparation, financial statement generation and payroll.

**Table 4: Benefits and Cautions Associated with Option #2**

Benefits of Option #2	Cautions Associated with Option #2
Allows firms to take advantage of e-billing and other PCLaw 11 features.	Requires strong controls to ensure all transactions are captured in the appropriate software and financial statements are complete and accurate.
Permits use of QuickBooks Pro/Premier banking download capabilities; however, downloaded information must be re-entered into PCLaw 11 to keep books aligned.	Increases the possibility of duplicate or missed transactions in one of the systems.
Allows use of QuickBooks Accountant copy to create non-matter related journal entries and send them to QuickBooks Pro/Premier.	Requires manual general ledger reconciliation between the products.

**Table 5: Where Individual Tasks Are Performed Under Option #2**

Task	PCLaw 11	QuickBooks Pro/Premier	Comments
Any Case or Matter-Related Transactions	X		
Non-Matter Related Accounts Payable Entries		X	
Non-Matter Related Checks		X	
Non-Matter Related Receipts		X	
Non-Matter Related Billing		X	e.g. expense sharing among lawyers.
Journal Entries	X	X	
Bank Reconciliation		X	Reconciliation of trust accounts may be done in either product. It is recommended that you reconcile in both PCLaw and QuickBooks Pro/Premier regularly and compare the amounts.
Generate and/or Print 1099 Forms		X	
Generate and/or Print Financial Statements		X	
Payroll		X	
Export Accounting Data to Tax Software		X	

## Additional Pre-Implementation Considerations

Firms currently using supported versions of QuickBooks Pro/Premier—either alone or in conjunction with PCLaw 9 or 10—have additional unique considerations that must be resolved prior to implementing the data export functionality in PCLaw 11.

### Existing QuickBooks Pro/Premier Users Installing PCLaw 11 for the First Time

1. **How do you plan to set up client and matter IDs?** PCLaw uses “client” and “matter” to identify cases and tie them together. Because QuickBooks Pro/Premier are general business accounting programs and not legal industry-specific, they contain “customers” and “jobs.” A PCLaw client should be set up in QuickBooks Pro/Premier as a customer and a PCLaw matter as a QuickBooks Pro/Premier job. **Note:** QuickBooks Pro/Premier allows multiple jobs for a single customer and does not use structured customer and job names.
2. **Will you be using the “nickname” capability in PCLaw—if so, how?** Nicknames in PCLaw are shorter than QuickBooks Pro/Premier allows and can be structured in PCLaw through automatic client and matter numbering in PCLaw.
3. **How much of your historical data from QuickBooks Pro/Premier do you want in PCLaw?** The ideal time for converting data from QuickBooks Pro/Premier to PCLaw is the beginning of a fiscal year. This approach allows beginning balances to be entered into PCLaw and a complete picture formed there. All prior year history will be maintained in your QuickBooks Pro/Premier software.

If it is not practical to wait to the beginning of a fiscal year to convert QuickBooks Pro/Premier data into PCLaw, it is recommended to convert at the beginning of a quarter to facilitate reporting. Additionally, it is recommended that only open transactions and current balances be transferred and that detail be left in the prior system.

### Existing QuickBooks Pro/Premier and PCLaw Users Upgrading to PCLaw 11

1. **Is the current data export from PCLaw and QuickBooks Pro/Premier working well for your firm?** If the existing data-sharing capability—which allows only general ledger data to be exported from PCLaw to QuickBooks Pro/Premier—is appropriate for the firm, there may be no need to implement the new data export capability when upgrading to PCLaw 11.
2. **How much of your historical data from QuickBooks Pro/Premier do you want in PCLaw?** The ideal time for converting data from QuickBooks Pro/Premier to PCLaw is the beginning of a fiscal year. This approach allows beginning balances to be entered into PCLaw and a complete picture formed there. All prior year history will be maintained in QuickBooks Pro/Premier.

If it is not practical to wait to the beginning of a fiscal year to convert QuickBooks Pro/Premier data into PCLaw, it is recommended to convert at the beginning of a quarter to facilitate reporting. Additionally, it is recommended that only open transactions and current balances be transferred and that detail be left in the prior system.

### Steps Required to Enable Data-Sharing

To find the steps your firm needs to take to enable the data-sharing capabilities in PCLaw 11, identify the box which best describes your firm’s situation.

**Table 6: Overview of Steps Required to Enable Data-Sharing from PCLaw 11 to QuickBooks Pro/Premier**

We have upgraded to PCLaw 11 from a previous version of PCLaw	We are a new customer installing PCLaw for the first time
<p><b>We already use QuickBooks Pro/Premier software</b></p> <p>Consult your LexisNexis CIC or Account Manager to determine the best implementation option for your firm.</p> <p>Because PCLaw has a fully-functional and GAAP-compliant general ledger, LexisNexis encourages you to continue using PCLaw exclusively for all of your billing and accounting needs. Your LexisNexis CIC can assist with any necessary modifications to your PCLaw general ledger.</p>	<ol style="list-style-type: none"> <li>1) Install and set up the PCLaw 11 software.</li> <li>2) Convert your data from QuickBooks to PCLaw.</li> <li>3) Create an empty QuickBooks Pro/Premier database. Do not set up a chart of accounts, customers or vendors.</li> <li>4) Initiate the data transfer.</li> <li>5) Import your accounting data from PCLaw into QuickBooks Pro/Premier. You will not be able to enter any transactions during this process.</li> <li>6) Once you import your data into QuickBooks Pro/Premier, <b><u>you will not be able to use your original QuickBooks Pro/Premier database;</u></b> however, it will be saved so you can access your historical information.</li> </ol>
<p><b>We will be installing QuickBooks Pro/Premier software for the first time</b></p> <ol style="list-style-type: none"> <li>1) Make sure your PCLaw accounting data is current and accurate.</li> <li>2) Install QuickBooks Pro/Premier and create an empty database. Do not set up a chart of accounts, customers or vendors.</li> <li>3) Initiate the data transfer.</li> </ol>	<ol style="list-style-type: none"> <li>1) Install and set up the PCLaw software.</li> <li>2) Install QuickBooks Pro/Premier and create an empty database. Do not set up a chart of accounts customer or vendors.</li> <li>3) Initiate the data transfer.</li> </ol>

Data conversion, import and synchronization services are available for an additional fee. Contact your LexisNexis CIC or Account Manager for more information.

For detailed setup instructions, please consult the “Enabling Data Export from LexisNexis PCLaw 11 to Intuit QuickBooks Pro or QuickBooks Premier 2009, 2010 or 2011” white paper.

## About the Authors

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Caren Schwartz founded **Time & Cents Consultants, LLC**, a Southport, CT firm, to help legal and other service professionals select, install and get the most out of their practice management, billing, accounting, and other firm specific technologies. She works to allow companies to better manage their time, money and information through the practical and efficient use of their software. She is an expert in billing, case and practice/office management systems.

Time & Cents Consultants joined the [35-45 Consulting Group](#) network in 2011, to help clients get better and faster access to their data. A LexisNexis Premier Certified Consultant, the 35-45 Consulting Group provides a wide range of services to clients in the legal and other industries. The services include everything that the



client practice or business needs to set up, maintain and operate the ideal IT system to fill its needs, boosting productivity and bottom-line profits in the process.

Schwartz is an Advanced Certified Pro Advisor for [QuickBooks](#) and a LexisNexis Certified Independent Consultant for [PCLaw](#), [Time Matters®](#) and [Billing Matters®](#). She is also a member of the Intuit Accounting Professionals Trainer and Writers Network and on the faculty of [Solo Practice University](#). Even with her busy schedule, Schwartz also finds time to write reviews and articles for [Technolawyer®](#), a respected online newsletter for attorneys.

Schwartz earned her master's degree in business administration from Cornell University Johnson Graduate School of Management and a bachelor's degree from Colby College. She is active in community affairs and serves on the boards of Congregation B'nai Israel and The High School Scholarship Foundation of Fairfield.

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As Senior Product Manager, Practice Management Solutions, Feters' primary function is to understand the needs of LexisNexis customers and the legal software market, then drive market requirements and product roadmaps to meet the needs of law firms up to 100 attorneys.

For the past three years, Feters has managed the [PCLaw](#), [Time Matters](#), [Billing Matters](#), and [Juris](#) software product. Prior to LexisNexis, Feters had 24 years of experience in product and management roles in the small to mid-sized billing, accounting and financial management software industries, including eight years as an independent consultant/reseller for mid-market enterprise resource planning (ERP) solutions.

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