

A GUIDEBOOK

*for Starting and Operating
an Independent Professional
Practice in Psychology*

**PSYCHOLOGISTS'
ASSOCIATION OF ALBERTA**

This guidebook was a joint project of the Psychologists' Association of Alberta and Human Resources Development Canada, Industrial Adjustment Service. It is made available through a distribution agreement between the Psychologists' Association of Alberta and the Canadian Psychological Association.

©Psychologists' Association of Alberta, 1998. All rights reserved. ISBN: 1-896538-45-2

Second Edition: August, 1998, reformatted December 2006

Foreword

Times change. I remember when very few psychologists in Canada dared to leave the security of salaried positions to make a living in private practice. As the demand for professional services increased following World War II salaried positions became plentiful in government, universities, and in large service systems, such as health, education and social service. Professional psychology earned public respect and credibility. However, psychological services were never included for payment under universal health care. Today the employment situation has changed drastically as most large organizations cut back on staffing and services. Health care reform is likely to cap or reduce public funding and will demand indicators of quality service at competitive costs. For many, there is a sense of dislocation and anxiety. Psychologists by preference or necessity are looking more and more to independent practice and to diversifying their sources of income.

There can be two dilemmas for many psychologists: one is how to acquire the necessary business knowledge and skills, and the other is how to balance the ethics of public interest and self-interest. Organized psychology in Canada has been slow to prepare new graduates or support licensed psychologists for this shift in the mode of providing professional services. The report of the Mississauga Conference on professional Psychology (March 1994) emphasized the need for psychologists to recognize their discipline as a business in both science and practice. The Conference encouraged professional training aimed at developing an entrepreneurial spirit, creativity and flexibility to complement psychology's long-valued commitment to social justice. Ethical decision-making and enlightened self-interest requires that psychologists manage their business endeavours in ways that serve the public interest. The *Canadian Code of Ethics for Psychologists* addresses the ethical principles of the discipline, but makes only minimal application to business practices. The Canadian Register of Health Service Providers in Psychology urges psychologists to engage in marketing and activities normally associated with the business world. Continuing education workshops often include the topic of establishing a private practice. Organized psychology is beginning to reassure its members that independent practice can be respectable, ethical and profitable, and that service provision changes that may have initially appeared as economically disastrous may actually provide satisfying entrepreneurial opportunities.

It is in this climate and context that *A Guidebook for Starting and Operating an Independent Professional Practice in Psychology* is especially welcome. It is intended to be of practical assistance to Canadian psychologists faced with the prospect of establishing a private practice and to established psychologists who wish to improve their efficiency and effectiveness. The Guidebook itself is comprehensive and excellent.

Workshops based on its content are valuable. It can be revised as new developments occur in the practice of psychology. It is Canadian. Congratulations to the Psychologists' Association of Alberta for its initiative in assisting psychologists in their transition from salaried positions to independent professional practice.

Dr. Jean L. Pettifor

Past President of the Canadian Psychological Association

Adjunct Associate Professor of Educational Psychology, University of Calgary Honorary Life Member of the Psychologists' Association of Alberta

Acknowledgements

The Guidebook for Private Practice is intended to assist psychologists who may be interested in establishing a private practice as well as those who may be struggling with a new one. It could not have been created without the cooperation and support of the following groups and individuals whose commitment and assistance we would like to acknowledge:

- The Psychologists Association of Alberta (PAA)
- The Industrial Adjustment Service (IAS) of Human Resources — Development Canada
- The Canadian Psychological Association (CPA)
- KPMG Management Consulting

In particular, recognition is given to the following individuals who contributed to the overall success of this project.

IAS Committee on Private Practice:

Judy Wry, Chairperson
Terry Pezzot-Pearce, Chartered Psychologist
Sherrie Banks, Chartered Psychologist
Stephen Carter, Chartered Psychologist
Bonnie Haave, Chartered Psychologist
David Gill, Chartered Psychologist
Jon Amundson, Chartered Psychologist
Keith Patterson, IAS Consultant
Bill Loveday, IAS Consultant

Special expertise, knowledge and feedback were provided to the IAS Committee by:

James Canniff	Judith James	John Paterson
Larry Fong	Alexandra Kinkaide	Al Riediger
Kathy Horne	David Merchant	Donella Scott

Council Members of the Psychologists Association of Alberta
Dennis Gartner and Dona Carlson, Professions and Occupations, Alberta Labour John Service,
Executive Director, Canadian Psychological Association George Allen, KPMG Management
Consulting

A special Thank You is given to Dr. Jean Pettifor, Past President of the Canadian Psychological Association and a Life Member of the Psychologists Association of Alberta, who in addition to providing the IAS Committee with valuable support and guidance, graciously agreed to write the Foreword for the Guidebook.

Contents

I. Introduction.....	6
II. Ethical considerations	7
III. Getting started	8
A. Evaluate your clinical skills and business aptitude.....	8
B. Determine the advantages and disadvantages of operating an independent practice.....	8
Table B-1: Key components to private practice—advantages and disadvantages.....	9
C. Determine if there is a market for your service	10
D. Plan your transition carefully	10
E. Options for transitioning	10
IV. Establishing a Referral Network and Building a Client Base.....	12
A. Marketing strategies to develop, maintain and enhance referrals.....	12
B. Handling incoming referrals	13
V. Setting Up Your Office.....	15
A. Location.....	15
B. Office design.....	17
C. Furnishings	17
D. Office equipment and supplies	17
VI. Business Considerations.....	20
A. Managing finances.....	20
B. Administrative issues.....	25
C. Market expansion	30
VII. Confidentiality and Clinical Issues	31
A. Confidentiality.....	31
B. Clinical records.....	31
VIII. Insurance and Areas Requiring Legal Consultation	33
A. Insurance	33
B. Legal consultation.....	33
IX. Other Specialized Areas	34
A. Training and supervision of students.....	34
B. Self-care and burnout prevention.....	34
C. Selling your practice.....	35
X. Conclusion.....	37

APPENDICES

Appendix A.	Professional and Personal Readiness Checklists
Appendix B.	Sample Forms and Policy
Appendix C.	Sample Office Design
Appendix D.	Business Plan Format
Appendix E.	Resource List—General Sources of Assistance
Appendix F.	National, Provincial and Territorial Associations
Appendix G.	Starting and Operation an Independent Professional Practice in Psychology—A Final Checklist
Appendix H.	Bibliography

I. Introduction

The goal of this guidebook is to assist Canadian psychologists in developing a stable private practice that will be successful over time. It is meant to help psychologists maximize their talents as professionals.

Changing economic times dictate the need for professionals to rethink their careers—to acknowledge that a single vocation can change and evolve over a lifetime. Today's practicing professionals—including psychologists—are being forced to redefine who they are and what they do.

Canada, like many countries, is going through a period of profound change. Consequently more practitioners face the challenge of forging their own careers rather than relying on an organization or institution for a job that may not last a lifetime. There are fewer jobs in organizations and more people who are seeking psychological services. This suggests there will be more opportunities for psychologists to move into private practice.

Given this, the window for the expansion of private practices is expected to remain open for some time. Practitioners who offer good service from a well organized base stand an excellent chance of success.

The decision to open a private practice requires careful consideration of questions such as:

- Do I have the personal characteristics that are appropriate for private practice?
- Am I qualified to offer independent service as a private practitioner?
- Should I work alone or with other practitioners?
- Where will I run my practice? Urban or rural? In my own home or in an office building?
- What type of service will I offer? General? Specialized? Research? Consultation? Training?

For psychologists already operating a private practice, this guidebook will help identify ways to enhance your practice to:

- Increase profitability.
- Market your practice better.
- Expand your practice.
- Sell your practice.

It is hoped that this guidebook will help provide the answers for questions you may have about operating a private practice. Besides containing information and guidance on "hard" issues, such as taxation, office equipment and marketing, this guidebook will examine some of the "softer" issues that must be addressed—ethics, stress, burnout, mentorship. It will be useful to use the guidebook in conjunction with *The Professional Practice of Psychology: Self-Evaluation*, a document produced by the Psychologists Association of Alberta to aid psychologists in ensuring that their professional practice complies with various ethical standards and principles.

II. Ethical considerations

Although this guidebook will address some ethical issues, many ethical principles will not be discussed. You must be certain that your actions comply with the code of ethics adopted by your provincial regulatory body. Usually this will be the *The Canadian Code of Ethics for Psychologists* of the Canadian Psychological Association. You can obtain a copy of this Code of Ethics from your provincial regulatory body or from the CPA. It is also on the internet.

A Companion Manual to The Canadian Code of Ethics for Psychologists is available also. It demonstrates the ethical decision-making process and features examples of ethical dilemmas, an extensive bibliography and other standards and documents adopted by the CPA.

All psychologists face various ethical issues and dilemmas. However, those practicing independently have fewer opportunities for immediate peer consultation and support and may need to be especially vigilant about ethical practises. Complaints of professional misconduct are most frequent in the areas of:

- Violation of professional boundaries.
- Breach of confidentiality.
- Sexual involvement with clients.
- Custody-access evaluations.

Your provincial regulatory body, provincial psychological association, or the CPA may have people available to respond with advice and guidance if an independent practitioner has questions around ethical issues and dilemmas.

III. Getting started

A. Evaluate your clinical skills and business aptitude

You will need to become comfortable with being both an independent clinical practitioner/consultant and as a business person. Before you even begin, consider your:

Clinical skills

In order to practise independently as a psychologist:

- You must **be certified or licenced as a psychologist** in your jurisdiction.
- You should **have post-degree supervised work experience**.
- You should **have a wide background of theory and knowledge**.
- You should **have specialized areas of knowledge and practice**.
- You should **recognize your own biases** regarding patient types and treatment modalities.
- You must **be comfortable with working independently** without the clinical backup of an agency or supervisors.

Business skills

In order to run a profitable business as a psychologist:

- You must **be comfortable with your need to make money** and charge directly for your services—remember, making a living is not unethical!
- You must **be willing to take some risks financially**. It often takes at least two years to build a successful practice; considerably more if it is planned and managed poorly. You may lose money initially until a referral network and client base are established.
- You must **be able to attend to the minutiae of running an office** as it is unlikely you will be able to afford to hire someone to do this initially.
- You must **become well acquainted with budgets, cash flows and business plans** to evaluate the potential and ongoing viability of your independent practice.
- You must **be prepared to market your skills** to guarantee success.

B. Determine the advantages and disadvantages of operating an independent practice

Consider the advantages and disadvantages of operating an independent practice to determine if the enterprise still interests you. If you have the desire to approach private practice in a detailed, businesslike manner, you will find that the advantages outweigh the disadvantages. Again, it is crucial to know yourself as a person and as a practitioner.

This section lists some key components to a private practice and identifies some of the possible advantages and disadvantages. To assist you there is also a personal and professional readiness checklist provided in Appendix A—addressing some of the features of operating a private practice.

Table B-1: Key components to private practice—advantages and disadvantages

Component	Possible advantages	Possible disadvantages
Autonomy	<ul style="list-style-type: none"> • Independence—you are your own boss. • Freedom to determine business and professional direction. • Ability to balance personal/financial concerns with professional/business interests. 	<ul style="list-style-type: none"> • You are the boss—no one to turn to for assistance. • Responsible for all areas of the practice—administration, accounting, marketing, staffing. • Isolation—a real factor for sole practitioners.
Flexibility	<ul style="list-style-type: none"> • Control over time—ability to set hours of work and annual work volume. • Ability to respond quickly to changes in work environment. • Ability to dictate professional services performed. 	<ul style="list-style-type: none"> • Little "down" time. • Holidays, sick days, professional development are at your cost. • All business expenses are tied to professional services—pressure to sustain chargeable hours is high. • External circumstances that may impact the number of visits, fees, form of therapy.
Clientele	<ul style="list-style-type: none"> • Ability to choose your clients. • Ability to specialize or provide general services. 	<ul style="list-style-type: none"> • Too narrow a specialty that limits the number of clients served can hurt a practice, especially at start-up.
Bureaucracy	<ul style="list-style-type: none"> • Ability to determine the parameters in which policies, procedures and paperwork are carried out. 	<ul style="list-style-type: none"> • Pressure to ensure non-chargeable functions are completed: billing, filing, record-keeping.
Environment	<ul style="list-style-type: none"> • Control over your work setting, layout, location. 	<ul style="list-style-type: none"> • Expense: space, furnishings, technology and staff.
Financial Considerations	<ul style="list-style-type: none"> • Ability to set rates based on: <ul style="list-style-type: none"> - Your skills. - Demand for services. - Client's ability to pay. 	<ul style="list-style-type: none"> • Vulnerable to market fluctuations: <ul style="list-style-type: none"> - Local economics. - Client's inability to pay. - Fluctuating business costs.
Professional Skills	<ul style="list-style-type: none"> • Total control for professional development and continuing education. • Ability to keep professional focus. 	<ul style="list-style-type: none"> • Knowledge explosion—inability of sole practitioner to keep current. • Professional development activity to enhance skills is non-chargeable.
Accountability	<ul style="list-style-type: none"> • Private practice is a good motivator—practice is a reflection of your reputation. • Ability to provide best service possible is without limits. • Total control over success of the practice. 	<ul style="list-style-type: none"> • Fewer opportunities for peer review. • Responsible for errors: <ul style="list-style-type: none"> - Clinical. - Business management.

C. Determine if there is a market for your service

To determine the potential viability of an independent practice, it is crucial to ask and answer the following questions:

- **Is there a need for your service?**
- **Will people pay for it?**

Paying clients are essential to your success. Researching and evaluating the market are critical and take considerable time and energy. Your market review will need to consider direct clinical services, consultation, training, writing and research services.

A good way to collect market information is to survey other psychologists who are working in the areas in which you are interested in setting up your practice. Include agencies and private practitioners who might refer to you. Note the lengths of their waiting lists and their policies regarding provision of alternate referrals. Find out how to have your name placed on their alternate referral lists. Try to determine if there is a particular group of unserved potential clients whose needs mesh with your particular skills. While making these contacts, talk to other independent practitioners about their experiences in private practice, asking many questions about various specifics regarding operation of a practice.

D. Plan your transition carefully

Planning and exploring all options prior to opening your practice is a **key to success**. Initial care and thought in the planning stages takes considerable time, but reduces the likelihood of later headaches and problems. Advance planning is not just best—it is essential so that you can dedicate your subsequent energies to assisting clients.

A key element in this transition—one that must be set before you see your first client—is to ensure your business planning is in order. **A detailed business plan is essential to any private practice**. Once you commence your practice, little time may be available to do this planning. Sound business planning will help you avoid inadvertent mistakes that can cost you time, energy, money—and worst of all, reputation. (Business plans are discussed in section VI.)

As many psychologists have not had training or experience in the mechanics of running a business, you may well need additional training in this area. There are various ways to learn the mechanics of running a private practice:

- **Formal**—research, courses, workshops. There are numerous references available to assist you. Courses and workshops are offered regularly in many communities through universities, community colleges, Chambers of Commerce and other Continuing Education agencies.
- **Informal**—mentorship, collegial contacts, prior work experience.

E. Options for transitioning

Given the lengthy time required to build steady client referrals and a consequent steady cash flow, many psychologists structure their initial practices to lessen the financial shock through various types of full-time or part-time practice. Also, more gradual transition may help a practitioner determine the viability of a practice.

A few of the available options include:

- Opt for **full-time work in an agency or institution**, but take on a few clients privately. This augments income and helps determine if there is a market for your skills. Note: you must be careful to avoid any conflict of interest, perhaps best achieved through completely different referral sources from those of the agency. It is also important not to use agency time to build your practice.
- Another alternative is to **join a functioning professional practice as an associate** to gain awareness and experience prior to establishing an independent practice. Exercise the same care regarding conflict of interest as you would in the previous option.
- Opt for a **clearly delineated part-time role**—working half-time at an agency and half-time in your own practice. This is advantageous, as you have some guaranteed income, but can have more energy available to devote to building your referral network. Again, take care to avoid any conflict of interest.
- Opt for **full-time practice**, while understanding the financial risks involved. Perhaps the best way to ensure viability is to ensure that you have some guaranteed funding, such as obtaining a contract for a block of service provision, or a part-time teaching position. Guaranteed funding ensures that bills will be paid during the time that you are building your referral network and a steady client base.

Be creative in developing an option that best suits your skills, strengths, energy, need for security and present circumstances. Have a clear idea of anticipated costs and potential income. Expect to spend a great deal of time developing and running a private practice—both in serving clients and in running the business. Careful preparation is crucial and takes time. Be prepared to work hard at getting started, getting known and encouraging referrals.

IV. Establishing a Referral Network and Building a Client Base

As already mentioned, a private practice cannot succeed without a steady supply of clients. Building a referral network is a crucial task that requires many marketing strategies. Regardless of whether you are beginning a new practice, or enhancing an existing practice, you must make yourself known to potential referral sources and then be available to receive referrals.

In order to establish a referral network and consequent client base, consider:

- Establishing an area of practice that has potential for future referrals in the area you want to work—word of mouth is one of your best marketing tools. Satisfied clients result in more referrals over the long term.
- Centering your client base as much as possible around your specialty and clinical skills. By doing so, you provide good service and produce satisfied clients.
- Limiting yourself to treatment of a specific clientele if there is a need for this. While this can mean a smaller caseload at the beginning of your practice, you will exercise greater control over the growth of the practice.
- Referring clients outside of your area of expertise to other professionals despite the lost income. Not only is it the ethical thing to do, but clients that you refer appropriately may make subsequent referrals to you.

A. Marketing strategies to develop, maintain and enhance referrals

Marketing involves the use of various strategies to make your availability for offering services known to potential referral sources and clients. Care must be taken to use strategies that befit a professional practice and are in compliance with guidelines in your particular jurisdiction. Strategies that might be used in an independent professional practice include:

- Provide **good service**. No network can compare to the one you create through the **excellence of your work**. Referrals from satisfied clients may not generate immediate referrals, but over time can increase your client base.
- Provide **personal contact** and **immediate responses** to inquiries from both referral sources and potential clients to demonstrate your interest in meeting their needs.
- Maintain **goodwill** with potential referral sources and other professionals in the community. Realize that various other professionals besides psychologists may be valuable referral sources. These include medical professionals, educators, social workers, general counsellors, employee assistance programs, lawyers and social service personnel, to list a few.
- **Refer clients** elsewhere if you do not have the specific skills they require, or provide an option of an alternate referral if your waiting list is very long. Maintain a referral list of other professionals whose work you respect.
- Distribute your **business cards** freely. Make them easy to read, attractive and professional. Include your name, degrees, certification status, address, and phone/fax/e-mail numbers.
- Send a **thank you letter** to the referral source once you have seen a client and received their written consent to do so.
- Send an **announcement mailing** when you first establish your practice, or add another practitioner to your practice. Realize that this may result in very few referrals, but will still make your availability known.
- Hold an **open-house** to make your availability known; thank the people who have supported your endeavours to establish a practice and generally establish goodwill.
- Place your name and perhaps an advertisement in the **Yellow Pages**. Follow provincial guidelines in developing your advertisement. Realize that many people may not select a psychologist through

- the Yellow Pages; however, having your name there indicates that you are a bona fide practitioner and provides phone numbers and addresses to facilitate contact with you.
- Obtain specialty training so that you can be on **alternate registries**, such as the Canadian Register of Health Service Providers in Psychology (CRHSPP), registries that provide mediation services, etc.
 - Be willing to accept **interviews** from the media on general topics in psychology. Have your name placed on a list for speakers' bureaus indicating your willingness to give **presentations and workshops**. This makes your name known.
 - Give your practice a **name and a logo**. Again, this makes your name stand out and is likely to be most useful when you are in a joint practice with several other practitioners.
 - Serve on various **community boards** for either profit or non-profit societies.
 - Become **adjunct faculty** for universities, community colleges, Further Education Councils, teaching hospitals.

B. Handling incoming referrals

Perhaps one of the most gratifying aspects of independent practice is the receipt of calls asking for service or for an appointment time. It is important to handle these contacts with care, as they create a first impression that may result in a follow-through with an appointment or a search elsewhere for service. Give each professional contact your full attention in a courteous and helpful manner.

The initial contact with a referral service or a client results in the establishment of a **service agreement**, or understanding about the parameters of the service that will be provided. This applies equally to direct clinical service, as well as to research, training and writing services. It is often useful to have printed forms ready to take down basic information that is used in negotiating this service agreement. A basic "Referral Form" that can be adapted to suit each practitioner's needs can be found in Appendix B and should include:

- The referral source with name and phone number. This information allows you to monitor your referral sources, to thank those who refer to you, and perhaps do further marketing with sources you wish to encourage.
- The name, age, address and phone numbers of the specific client.
- A short description of the nature of the problem for which the client is seeking services. This allows you to screen referrals for appropriateness to your practice.
- The service requested by the client. This allows further screening and matching to the services you offer.
- The services you agree to offer the client, or a note regarding other referrals you make to the client. Make a note if an appointment time is set, or whether the person is willing to be on a waiting list for later call-back.
- The fees you will charge the client and perhaps the estimated length of service. Also note any particulars about billing, insurance arrangements, etc. This gives you a formal record that you can use to ensure financial aspects are handled appropriately.

During this initial negotiation, identify potentially problematic referrals and be clear on policies and procedures in situations such as custody issues, abuse allegations, assault/homicide/suicide risk and mandated treatments. Again, your provincial regulatory body can provide support and guidance around these issues.

In negotiating the service agreement, be ready to respond to various questions that the referral source or potential client may ask:

- What is your background and training?
- Do you think you can help me with my problem and how is therapy done?

- Will you want to talk to anyone else about my problem (this provides an opportunity to talk about limits of confidentiality)?
- How often will sessions be and how long are they?
- How long is the usual therapy for this problem?
- Do you have a waiting list?
- Do you have a fee for the initial consultation?
- Do you bill for phone contact?
- How and when do you collect fees?
- How are insurance or employee assistance program payments handled?

Non-clinical clients may ask:

- How do you handle consultations and contracts?
- Is the initial consultation and discussion free?
- Do you do the work yourself, or do you hire others to work on projects?
- May I see samples of your previous work, or contact others to whom you have provided service?

Once you have negotiated a service agreement, you may wish to consider the added personal touch of sending a client or referral a brief letter or card to welcome them to your practice. Ensure they are in agreement with receiving such correspondence. This should restate the time and date of the appointment and any pertinent directions or parking information. You may also want to include any written information you have that outlines some of the policies and procedures of your practice (e.g., cancellations and no-show policies, smoking policies, etc.) although this could be provided at the time of the first appointment. For consultation and research services, clarify discussions with a follow-up letter and later contract if necessary.

Should you at any point need to cancel a service agreement, be clear with your client about the reasons for doing so. If the client has not finished therapy, ensure that they are referred to another reputable practitioner and seek the client's permission to inform the new practitioner about the issues you and your client faced. Your client and the new practitioner will benefit from this.

V. Setting Up Your Office

At the same time that you are establishing a referral network and client base, you will also need to research the pragmatics of setting up an office. Again, research and preplanning are essential. You will want to identify an office location that is accessible to your expected client base, provides a functional and pleasant service milieu, and yet is within your price range.

Many issues must be considered, such as:

A. Location

Office location includes the consideration of many factors:

Urban or rural

It is essential to establish your practice in a market where you are confident that there is a demand for your service. Often a practitioner may wish to consider the options of opening in an urban or a rural area. Establishing a referral network and client base are essential in either case.

Rural practice may offer many benefits—chief among them is that there will be fewer practitioners in the area and therefore less competition. However, ensure that the population density can support your proposed practice. Rural areas sometimes feature a concentration of one cultural group over another without the corresponding diversity and density that a city brings. If so, make sure this cultural group values psychological services, will use them and will accept you.

Rural practice also increases the chances that you will know the people who come to you for service. Be sensitive to the possible ethical difficulties that might arise and be on guard for the possibility that you will be pressured to provide service outside your areas of competence. You cannot be "all things to all people", and so be firm on the parameters of your practice.

Urban practice can offer many benefits, including a wider client base, the availability of other specialists for consultation and referrals, more immediate support from colleagues and libraries and the opportunity to share costs with other practitioners.

Urban practice can bring negatives such as strong competition from other practitioners and more expensive office space. Marketing will be crucial to create a service niche for yourself.

Accessibility

Your location is very important as a client may choose you depending on your location and the ease with which he or she can get to your office.

In initially determining your client base, determine whether they will be coming by public transport or car and locate your office accordingly. If most clients will be coming by car, examine parking ease and cost.

Consider handicapped access, depending on the clients you expect to serve and limit use of stairways if possible.

Ensure that the building has a clean and inviting entrance that leads to professional office space.

Safety and security

Ensure that your office is in a neighbourhood that is clean, safe and attractive.

Consider security measures for parking and the building, especially if you do evening or weekend sessions. If security is inadequate, negotiate upgrades prior to signing a lease.

Home or office building

Working from your own home may be an alternative to renting a business office. Choosing to operate a practice from your home may entail fewer office expenses, various tax benefits and convenience for you. Ensure that your home office complies with local home business guidelines. Recognize there will be reduced privacy for you and your family and potential distractions for you and your clients. Clients will gain an intimate knowledge of you and your lifestyle which may translate into potential danger from some clients and discomfort for you and your family. Should you choose to run a practice from your home, have a separate entrance and waiting room that is secured from your home.

An office building may be a preferable location for your practice. Weigh the benefits of choosing a building in a densely populated area with high rents, against the benefits of a building in a less expensive part of town. Make your choice depending on the characteristics of your expected clients and the location in which they are likely to feel most comfortable.

Shared space

Many practitioners opt to reduce office costs by sharing space with other practitioners. This may allow for the acquisition of a more elaborate office and may also provide for joint use of support personnel, phone lines, business machines and other services necessary for running an office.

You may wish to be a partner in a lease, a sole holder of a lease who rents to other practitioners, or a person who rents on an hourly or monthly basis from other practitioners. You may also consider the purchase of office space, either individually or with other professionals. In making these decisions, carefully consider the limitations and risks involved in each scenario and negotiate legal contracts outlining responsibilities and limitations. You will then be clear on your obligations from financial and legal liability standpoints.

In urban centres, space is often available in office buildings that is shared by various professionals and businesses. This space can be relatively inexpensive and extra services such as typing, photocopying and faxing are billed on a fee-for-service basis. Such an arrangement may be very attractive, but ensure that client confidentiality is maintained in the basic office procedures that are provided. A definite advantage is the avoidance of needing to buy business machines and furnishings upfront, especially when you are just beginning your practice.

Multiple practice sites

Due to the dispersed locations of their client population, some practitioners find that they do best if they travel to where their clients are, rather than the reverse. This may result in the need for multiple practice sites. With such an option, consider whether:

- You can absorb all capital and utility costs for more than one office.
- You should sub-lease space in locations leased from other practitioners.
- You should lease a primary office and sub-lease to others when you are in other locations.

B. Office design

Your office is a reflection of who you are as a professional and as a person. It should provide a milieu in which you and your clients can work. There is no ideal office design, but at a minimum, your office should include:

- **An entrance and waiting room** that is inviting and comfortable. Provide suitable chairs, easily controlled temperature and lighting for comfort, soundproofing, accessibility to both water and coffee, play area if children will be present, place to hang outerwear, reading materials, separation from staff workspace and therapy rooms, and easy access to washroom facilities. See Appendix C for a sample office design.
- **Business office space** that allows for confidential reception and telephone answering, as well as confidential typing that is accessible only by staff. Ensure adequate but secure file room, adequate space for multiple staff if required, furnishings and office equipment. Ensure security of stored files and information, including locked filing cabinets and a computer system with security-controlled features.
- **Professional practice space** that is comfortable, with suitable chairs, easily controlled temperature and lighting, soundproofing and measures to ensure confidentiality. Depending on your area of practice, you may require specialized facilities for play therapy, assessment, family and group work, case conferences, training workshops, or project work in research and writing. Ensure that adequate storage space is available for any specialized materials. Also ensure that you consider the added cost involved in providing this customized space.

C. Furnishings

Choose furnishings that convey the image of a thoughtful and thriving professional practice, while simultaneously providing an environment in which your clients will feel comfortable. Obtain furnishings with an eye to durability, multiple use and future expansion.

D. Office equipment and supplies

Unless you are acquiring space and services from another practitioner, you will need to equip your office with basic office equipment and supplies. Keep in mind that prices for office equipment, supplies and services often are negotiable. These include:

- **Phones.** Including phone lines and an answering system to receive messages. One or more lines may be required to ensure easy access. If a receptionist is not available, you will need an answering machine, voice mail system, or answering service to take messages for you. Ensure that these are taken and retrieved in a confidential manner and that you return messages as quickly and efficiently as possible. Take care to have coverage for calls if you are away and have procedures in place to access you if an emergency arises. Choose a system that works best for you and shop around for the best price.
- **Typing and/or computer systems.** Computers are fast becoming a necessity in private practice. Their usefulness is enormous. They offer four distinct advantages:
 - **Time**—word processing allows all correspondence to be created and maintained quickly and inexpensively.
 - **Consistency**—available software packages can standardize correspondence and accounting.
 - **Quality**—correspondence will be professional in appearance.
 - **Planning**—the right software package for your business can assist you in generating analyses of your practice's financial performance.

- **Photocopying and fax machines.** These machines are also becoming indispensable in running a business office. Ensure confidentiality of all materials used with these technologies. Leasing and service agreements are worth exploration to limit costs or reduce initial cash outlays.
- **General office supplies.** Once you begin to practice independently you must provide basic office supplies that include such things as paper, notepads, file folders, pens and pencils, paper clips, staplers, hole punches, etc. While these supplies seem relatively minor, they are essential and may involve considerable initial and ongoing costs. Buying in bulk and at discount stores and order houses reduces expenses, but take care not to invest in materials that you may not use for several months or years, especially at the beginning stages of your practice when cashflows might be low.
- **Business stationery and forms.** Specialized office stationery and forms add to the professional image of your office. Remember costs increase as you move to special papers, multiple colours of ink and complex designs. Minimally you will require:
 - **Business cards**—make them easy to read, attractive and professional, with your name, degrees, certification status, phone number and address indicated.
 - **Appointment slips**—these are inexpensive and list your name, phone number, address and time of the client's next appointment.
 - **Letterhead**—make this tidy and professional; include your business name, address, phone and fax numbers, and e-mail address.
 - **Business envelopes**—include your name, address and logo. You may sometimes need to use blank envelopes to ensure client confidentiality.
 - **Invoices**—again including your name and address. Provide sufficient room to itemize the nature of the services provided, the person(s) to whom the services were provided, the dates and duration of sessions, the fee per session, the total fee, payments and current balances. Date and sequentially number the invoices to facilitate bookkeeping and accounting.
 - **Receipts**—include your business name and address. Provide sufficient room to itemize the nature of the services provided, the person(s) to whom the services were provided, the date, duration and fee for each session. Providing complete information on initial receipts limits callbacks from insurers who require this information. Be careful to sign each receipt personally, and note your provincial registration number and your CRHSPP number if you are on that register. Number the receipts sequentially to facilitate bookkeeping and accounting.
 - **Fax cover sheets**—used as a face sheet for facsimile transmissions. Include the name of the recipient, number of pages, a space for comments (See Appendix B). Add a confidentiality warning with instructions for immediately notifying the sender and returning the transmission to sender if it is received in error.
- **Specialized equipment and supplies.** As a psychologist, you may require various types of specialized equipment and supplies. Depending on your area of specialization, these may include:
 - **Psychological testing materials**—these can be extremely costly, but may be essential depending on your area of practice. For example, many commonly used standard individual intellectual tests can cost in the region of \$1,000. Computer scoring for some psychological tests may entail a fee of approximately \$500 for the computer program, or a fee of \$50 per protocol for those sent to a scoring service. Forms also need to be restocked regularly. These range from \$2-\$5 apiece and usually must be purchased in minimum packages of 25. As costs can vary considerably between suppliers, shop around to obtain the best price. Also note that some tests can be sold only to certified psychologists and you may need to complete various forms and provide proof of your certification as a psychologist. Finally, note that photocopying of test forms is illegal.
 - **Play therapy materials**—stocking a play therapy room can be very costly. Depending on the complexity of the materials offered, costs can run to several thousand dollars.
 - **Biofeedback materials**—again this specialized equipment can be very costly. Often a specialized room and chair for sessions will further add to cost.
 - **Professional journals, reference materials and memberships**—in order to keep current with emerging research findings regarding theory and clinical practice, it is convenient to subscribe to various professional journals and to buy essential reference materials. These

may be available in college and university libraries, but not every independent practitioner has the time to regularly visit the library and peruse new materials. Immediate availability in the office setting is costly, but very convenient and essential in some situations.

- **Locked fireproof filing cabinets**—essential for storage of active and closed client files.

VI. Business Considerations

Running the business portion of your practice can be daunting for those psychologists who have never run a business before, or for those people who are uncomfortable attending to minutiae and concrete details. Finances must be arranged carefully and administrative policies and procedures must be put in place to ensure smooth operation of the office. Considerable effort initially to establish procedures in both areas reduces long-term problems and the likelihood that the practice will flounder.

A. Managing finances

Business planning

Business planning is a critical aspect of independent practice and should begin very early on. A **detailed and sound business plan** plots your targets for your business and identifies how you will achieve them. Not only does your business plan guide the business decisions that you will make, but be assured that your bank will want to review these plans if you are considering start-up or enhancement loans. A sample business plan format is presented in Appendix D.

Most business plans contain three standard elements:

- Marketing plan.
- Operating plan.
- Financial plan.

In addition, banks and other lending institutions may have specific requirements that your business plan must contain before they will process loans and credit applications.

Your **marketing plan** should contain a detailed marketing analysis. Be clear about the size and trends of the market you expect to serve. You also need a good idea of your targeted customers—your best prospects for success in private practice. A good marketing analysis will zero in on your competitive strengths and weaknesses. Identify the areas where you know you have an edge and those where you are less qualified. Finally, identify your sales strategy—the means by which you will make your services known.

Good business planning also involves the creation of an **operating plan**—one that attends to the "mechanics" of running a business. You must specify:

- The location (building and equipment).
- Management and staffing (as appropriate).
- Administrative or professional procedures that you expect to follow (hours of work, scheduled services).

Lastly, your business plan requires a **financial plan** component. Clearly identify startup or expansion costs, expected sources of funds, cash-flow forecasts, operating costs, and an initial profit/loss forecast.

Your business plan must emphasize quantitative data to justify why your business will succeed. Qualitative data can be used as well to help in identifying trends associated with the marketplace. Using quantitative and qualitative data to build your business demonstrates that you understand that the market truly requires your services.

For most private practitioners, the business and strategic plan will be one and the same. Whether the strategic planning is addressed within the context of your business plan, or is addressed as a separate

document, it too is a critical element on your road to private practice. Potential lenders or associates will be interested in knowing your plans for the practice for the future—they want a long-range look at where you are going.

Strategic questions to be considered are:

- What are your long-term strategies to market the practice?
- What are your long-term client and revenue goals?
- What are your minimal profit margins/client retention rates required to maintain the practice?
- What associations and networks are planned to promote practice growth?
- What contingency plans have been created for times of illness or slowness in the marketplace?

While business and strategic plans are to be written, they are not carved in stone. Each is to be treated as a tool—a fluid document—that you can adjust and reevaluate as necessary. These plans become your compass—your direction-setting instrument. There may be occasions where you will deviate from your course due to fluctuations in your business or marketplace.

Budgeting

Your **budget** will be a key feature of your business plan and is updated annually. A budget outlines expected sources of income and expenses and results in a projected income or loss for the year. Your budget for your first year of practice will include start-up costs in addition to ongoing expenses. When budgeting, it is useful to overestimate costs and underestimate projected income so as to increase the realistic nature of your expectations. Developing a "worst case" scenario will result in more careful planning of budget categories.

Your budget and your **financial statement**—produced at the end of the fiscal year—permit more accurate planning of your budget for your second and subsequent years of practice. A financial statement is the summary of actual income and costs incurred for the fiscal year and shows either a profit or a loss on the balance sheet. It uses the same categories as those used in your budget and includes various depreciation schedules.

Expense categories in a budget can vary from one business to another, but common ones with accompanying examples include:

- Office space—rent, cleaning, upgrades and painting, utilities, parking.
- Telephone—phone lines, long distance charges, answering service, cellular phone calls, logged pay phone calls, paging services.
- Office supplies and materials—basic office supplies, stationery, specialized supplies, test materials, reference materials, coffee.
- Postage.
- Bank charges—for cheques, accounts, deposits, NSF cheques written by clients, credit card fees, interests on loans.
- Insurance—professional liability, general office liability, health care, disability, office expense, accidental death and dismemberment.
- Salaries and benefits paid to staff.
- Licences—business licences, registration fees, listing fees.
- Income taxes—payments are computed based on your income or loss for the year and are not a budget category per se. You will however, need to plan on accumulating enough cash to pay your taxes on a quarterly basis.
- Business and other taxes—as may be required locally.
- RRSP and Canada Pension Plan contributions.
- Bad debts—unpaid invoices that are written off.

- Bookkeeping and accounting fees.
- Legal fees.
- Outside professional services—case consultants, holiday cover-off.
- Professional development—conferences and workshops, supervision.
- Professional dues and membership fees.
- Sales promotion—open house, special mailings.
- Vehicle and travel expenses—travel logs of business and personal use, vehicle charges, mileage paid, airfares, metered parking.
- Depreciation of furniture, business machines and any large purchases.

Several relatively **simple principles can guide early budgeting** and optimize the chances of developing a workable budget and a profitable business:

- Be realistic and estimate costs carefully.
- Practice austerity and shop around.
- Balance cost, durability and quality of materials.
- Start basic.
- Underestimate income and overestimate costs.
- Accumulate operating capital prior to opening your office.
- Avoid large loans as you will need considerable income to service the debt.
- Expect some payment lag.
- Obtain partial guaranteed funding.
- Maintain a block of funds to cover at least six months of operating expenses in case of various emergencies.
- Review your budget regularly to gauge your financial performance.

Setting fees

There are no strict rules about the setting of fees, other than those recommended by your provincial association. You have considerable flexibility in setting fees; however you should use the provincial standards as a guide.

When deciding on your fee structure, keep in mind that the fee you charge is more than just what a client will have to pay you for services. It is also a reflection of your vision, your self-worth and education. Many clients will see your fees as a gauge of your value as a professional. There are steps you can take to arrive at the fee structure that suits you best:

- Consider your experience and skill level in relation to other practitioners.
- Collect information on fee structures from your provincial association.
- Assess the market—phone other practitioners to determine a market
- Average.
- Do not charge significantly less than your peers—doing so may do more damage than good. Don't dilute your value.

Although you must set a fee structure, this should not affect your ability to charge certain clients at rates that differ from your set rate. In some cases, you may wish to negotiate your rates with a client. When discounting your rate, inform your client that the fee represents a percentage only of your usual set rate.

There will be occasions where you provide *pro bono* work to clients. Any client not charged should be informed of your usual rate and of the parameters of the work you will be performing. Be clear about the length and number of sessions, the reason for offering a *pro bono* service, and the privacy that must be maintained about the delivery of *pro bono* services to clients.

You may want to consider introducing a sliding fee scale, as opposed to a fixed scale. With sliding scales, the fee is charged on an increasing slope according to client income—ability to pay. Consider your target market. Is there enough of an income disparity in your market to warrant creating a broad scale?

Recognize that no matter what fee structure you ultimately decide upon, your fees will need to be increased periodically to offset inflation and rising business costs. Keep your clients informed well in advance of any planned fee changes.

Billing and collecting

Explain your billing and payment procedures at your first meeting with a client. Learn from the experiences of others—direct payment at the end of each session is recommended. It may not be easy at first, but it is better than having to confront a client who is in arrears for many sessions. Such situations can affect your relationship with your client and your ability to earn a living.

When carrying overdue accounts, charge a percentage of that amount monthly and add it to the principal debt. Set a time or monetary limit for which you will carry an overdue account before initiating a more formal collection process or legal action.

If you decide to accept credit card payments or debit cards, be aware that applicable fees may be negotiated with the card issuer/bank. The cost of collecting on outstanding accounts should be weighed against the cost of using such services.

Third party billing should be discussed in detail before beginning service delivery. Get written confirmation from the insuring source about:

- Percentage of the fees to be covered.
- Billing procedures.
- Maximum allowable costs, sessions, time.

Ensure that all contracting arrangements are in place before beginning service and inform the client that difficulties with the billing process may intrude upon the effective delivery of services. Difficulties with third party billings may force you to suspend services. If the client's insurance plan will support only part of the fee, be certain the client understands at the outset that he or she is responsible for any difference.

Accounting and financial records

As an independent practitioner and business person, you will need to keep accurate and detailed financial records. Not only does this allow you to track and manage your finances, but such records are necessary should you ever be audited by federal tax personnel. Keep all records for at least seven years.

Consultation with a business accountant is essential in setting your accounting system and financial records. Although you may have a rudimentary understanding of financial planning and budgeting, a business accountant can save hours of frustration by setting up a system that suits the needs of your business. Your accountant also may suggest a user-friendly accounting software package that enables you or your support staff to enter basic data and even produce a financial statement. You should consult a chartered accountant to determine the need for a formal audit or financial review of your business. If you incorporate you will require a formal audit—a statement that ensures accuracy and appropriateness of all expenses and income claimed by your business.

If you plan to depend on support staff to be responsible for record-keeping, ask detailed questions during their initial interviews about their experience with financial record-keeping. Even so, it is very worth your while to be well aware of the income and costs in your business and review them regularly. You are

ultimately responsible for the success or failure of your business and cannot make informed business decisions unless you are indeed informed.

Basic necessary financial records include:

- Receipts for all money received from invoices or direct, uninvoiced payment. Number these sequentially; provide one copy to the client and keep one for your records.
- Invoices for services. Number these sequentially; provide two copies to the client—one to be returned with payment—and keep one for your records.
- Open a separate account solely for your business and balance all statements on a monthly basis. Use of a separate bank account assists in the ongoing management of your finances and saves you time when preparing financial statements and tax returns.
- Bank deposit slips. These are provided by your bank; number them sequentially.
- Use sequentially numbered, personalized business cheques. Record the name of the payee, the reason for the payment and the amount of the cheque on the cheque stubs. For services invoiced to you, note the cheque number and the date paid on your copy of the invoice.
- Always check and balance statements of credit cards used for your business.
- Always check and balance credit card statements if you accept such payments in your business.
- Maintain a petty cash fund and accurate records of expenses paid with these moneys. Save all receipts and keep track of expenses paid out of pocket. Periodically reimburse yourself for the amount of the receipts. It is useful to list these expenses on your cheque stub so that your financial statement is easier to prepare at the fiscal year-end.
- Keep a log of all mileage driven for your business so that you can either claim mileage or a portion of your vehicle expenses. Consult your accountant on the best strategy.
- Keep a log of all pay telephone and parking meter cash payments for later claims.
- Keep records of pay issued to people in your employ. You will need to make deductions for them and submit the employer's portion of contributions to the Canada Pension Plan and the Unemployment Insurance Commission. Regular monthly remittances reduce penalties and good records make completion of the necessary documentation easier. You will need to apply for a Business Account Remittance Number so that Revenue Canada can keep track of your accounts. You will also need to decide what pay schedule to use to pay employees (e.g., monthly, biweekly, etc.). You will need to pay them regularly and to pay them prior to paying your own salary if cash-flow is low.

While these records are detailed and laborious to keep, they are worth the effort as every penny is accounted for and you can see clearly how your business is functioning and can then plan accordingly.

Income taxes and GST

As an independent practitioner, you will be responsible for paying and collecting various taxes. The first major tax to be concerned about is income tax and you will be responsible for making your own remittances. These are made on a quarterly basis, due on March, June, October and December 15 of each year. Revenue Canada has many options available that will suit your business best, ranging from payments according to annual estimates to payments according to the previous year's income. Consult Revenue Canada and your accountant to determine which computation method suits you best. You will need to plan on accumulating the cash to pay these taxes in your budget.

Confirm with Revenue Canada and your accountant how GST rules and regulations apply to you. Let your clients know that they can claim any of your fees not covered by insurance or other programs as a medical expense on their tax returns.

You may need to collect GST and remit collections under a separate account number. GST must be collected for all services rendered above an income threshold level set by Revenue Canada—with one exception. If you are registered in the Canadian Register of Health Service Providers in Psychology

(CRHSPP) you are considered a medical service provider and will not need to collect GST for services rendered directly to clients. However, other non-direct client services will require collection of GST. Application for and maintenance of a CRHSPP registration is therefore of benefit to both clients who are then GST-exempt and to yourself, since you will require less bookkeeping.

Dealing with your banker

Make yourself and your business known to your banker before you negotiate a loan. If you are seeking financial assistance, you will be asked for a great deal of detail about your business. Present an up-to-date copy of your business plan and recent financial statements to your banker to make any transactions and applications easier.

Financing—both startup and ongoing—is often required for small businesses. Start your planning for this prior to seeing your first client. As loan conditions and rates can vary significantly, shop around to obtain the best deal. Note a word of caution: while loans provide cash when needed, they are expensive. For example, a \$10,000 start-up loan at an interest rate of 9% amortized over three years results in monthly payments of approximately \$318. While this may not seem large, it can be substantial when added to the rest of your regular monthly expenses. Limit large loans whenever possible. It may be a better strategy to plan for several months or years prior to setting up a practice, or to economize and do with less initially, rather than take out a large start-up loan. Again, your accountant can give you good advice about your approach.

Sometimes it is useful to make arrangements to stabilize your cash flow through slow times. Some independent practitioners report that their practices go through "feast and famine" periods. If this is the case, it may be worthwhile to set up a line of credit with your banker when you first set up your accounts. This is essentially a revolving line of credit which you pay for only when you use it.

In general, your banking should be done as quickly and regularly as possible. Once your practice is operational, set a regular time to do your banking and then follow the schedule—set up a system to guarantee it is done properly, accurately and in timely fashion.

B. Administrative issues

Run an organized office

Perhaps one of the most important ways to succeed in private practice is to run an organized office. Not only should your office be physically tidy and in order, but you should have clear and efficient procedures in place to govern both business activities and those that have to do with seeing clients. You must be both an excellent manager of business and an effective psychologist with clients.

There are many good sources to help you become a more efficient manager—one who spends less time in administration and more time with clients. Two excellent resources are: *How To Manage Your Career In Psychology*, edited by Richard Kilburg (American Psychological Association, 1991), and *Business Success In Mental Health Practice: Modern Marketing Management And Legal Strategies*, by Robert Henley Woody (Jossey-Bass Inc., 1989).

Both publications contain practical and accessible information and exercises to increase your efficiency as a business manager.

Policies and procedures

In order to run an efficient and organized office, it is important to establish clear policies and procedures for various aspects of your business. It is often advisable to have formal written policies and procedures, especially if you have one or more fellow practitioners or support staff working in your office. Unwritten policies and procedures create confusion for all concerned and result in inconsistencies in business practice.

The written compilation of your policies and procedures is called a **policy manual**. Its key components are:

- **Policies**—statements that govern your business behaviours (e.g., staff development, leaves of absence, billing and payments).
- **Procedures**—policies are not effective unless procedures are in place to administer them. You need to be clear about the specific procedures that will be used for each policy you have created.
- **Guidelines**—in some instances guidelines will have to be created by you for the effective understanding of policies and procedures. You may have an established policy for staff development as well as clear procedures, but you may need to add more detailed guidelines for interpretation. Guidelines are usually the limitations under which your policies and procedures function.

A good policy manual should begin with your mission statement. You need to be clear, as do those working with you, as to your overall intentions in private practice. Your mission statement—a slogan, phrase, sentence, or paragraph—needs to be a concise articulation of what your private practice is about.

You will want to include a section explaining the manner in which you have organized your practice and the rationale for doing so, perhaps outlining staff roles and responsibilities, timelines for task completion, etc.

In building a policy manual, try to cover yourself for those events that can occur on an infrequent basis—such as a critical incident policy (what happens in the event there is an injury or accident involving one of your clients, or one of your staff members?).

Typically a policy manual will address issues such as:

- Evening and weekend hours.
- Billing and receipt procedures.
- Banking and signing authority procedures.
- Phone protocol.
- Customer complaints.
- Unusual incident reports.
- Ordering of supplies.
- Codes of conduct.
- Sexual harassment.
- Hiring and firing procedures.
- Holidays and leaves of absence.
- Staff development.
- Critical incidents—death or serious illness of staff member.

If you have no experience in creating policies and procedures, ask a colleague for assistance, or contact your professional association. See Appendix B for an example of a policy on staff development.

Recruiting and hiring employees

The success of your practice will determine the need for recruitment and hiring of additional staff. As a private practitioner with no support staff, you will have to set aside a certain amount of time on a regular basis to take care of paperwork, billing, supply ordering and marketing.

Once you have established a stable client base (including reliable cash flows) and a strong referral network, you may find it is time to hire staff. Remember that the first impression that prospective clients will have of your practice may well be shaped by their initial perceptions of your support staff. In your recruiting process—newspapers, professional publications, employment agencies, word of mouth—be clear about the kind of person you are seeking. You will need to state the specific qualities you require, hours of work and the exact nature of the position. Do not make the job sound like something it isn't—clarity will save you considerable time and gain you the best candidates.

You may wish to consider using an employment agency to pre-screen or even interview prospective staff. This can save you time. However, there is a cost and you lose some control over the selection process.

A key decision involves choosing whether to hire full-time or part-time staff. There are advantages and disadvantages to both. Part-time personnel are not as costly and usually can adjust their hours to suit your times of critical need. The downside of hiring part-time is that you need to be very clear about the coordination of time requirements. It will be your responsibility to be as organized as possible, particularly during those periods when your support personnel are not available.

Effective use and training of support staff are important to a busy practice. Remember, the degree of professionalism evident in your office will be judged by impressions created by your front-office staff. Although you need to be aware of the mechanisms of running the office's administration, you can be freed from many of the day-to-day administrative tasks to concentrate on delivering service to your clients. Satisfied staff also will work hard, create an efficient office and convey a content and inviting feeling to your clients.

To maximize the benefits derived from professional or support staff:

- Clearly define their duties and your expectations.
- Ensure that they understand the need for maintaining confidentiality in this area of practice. As a condition of employment, you may require them to sign an agreement to maintain client confidentiality.
- Provide new employees with a formal orientation to your practice and environment.
- Provide positive feedback and recognition for the tasks they do.
- Meet with them on a regular basis to keep abreast of all administrative happenings in the office, hear their concerns and suggestions, provide suggestions to them, problem-solve around difficult situations and get updates on previous problem solutions.
- Treat them with respect.
- Delineate and address your concerns directly.
- Use a probationary period before adding them permanently to your staff.
- Conduct periodic formal performance reviews.
- Pay them a fair wage regularly and on time.
- Provide added benefits such as health care as your business can afford to do so.
- Follow all employee standards around coffee and lunch breaks, holidays, etc., as outlined by your provincial government.
- Hire staff carefully. Initial time and energy invested in the hiring process usually pays for itself if a reliable staff member is acquired who stays with your business for a long time. cursory attention to hiring results in poor matches, later firing, and then new searches for replacement of personnel.

When selecting and hiring staff, take the following steps to obtain a staff member who best matches the needs in your office.

- Create a **personal profile**, listing the qualities you require in the person who will fill the position. Ensure that the applicant can deal with the frequently difficult letters and reports that they will be exposed to while working in your office. Also ensure that the applicant has the interpersonal skills to deal with anxious, irritated or depressed clients.

- **Professional profile.** Outline the specific tasks that are to be performed along with the skills required.
- **Interview questions.** Interview questions must be pertinent to the job. Create a list of questions that you wish to have answered by prospective candidates. Consider having candidates complete one or two written questions prior to the interview. This gives you the advantage of ensuring that candidates have the necessary communications skills for the job—and at a level you require.
- **Selection criteria.** Create a scorecard to properly evaluate the candidates you have seen. List the key skills required and rate each candidate against each skill.
- **Reference checks.** Conduct a reference check of your final candidate(s) if their last employer is not listed as a reference, take particular note.
- **Security checks.** You may require candidates to obtain a satisfactory security check.

It is not necessary to interview every candidate who applies for a position. Part of your selection criteria will involve a screening of applications. You need only identify a shortlist of candidates to interview—usually from three to seven individuals. If possible, allow from 30 minutes to one hour for each individual—after all, you are making an important decision; be prepared to give adequate time to the process. During the interview, take notes and at its conclusion spend a few moments debriefing: summary comments, observations, perceptions. These notes will help you later in arriving at your final decision.

Bringing other professionals into your practice

Taking on an associate or a partner can be a positive step—you create a built-in support network. Having an associate or partner means you gain a colleague for debriefing, you have back-up during times of illness or holiday, you are able to take contracts with greater scope, and you have someone to share the costs. The decision to enter into a professional association or partnership is a significant one.

When selecting an associate or partner, take the same care to interview as you would with any other staff. Be clear about the goals of your practice, the policies, procedures, fees and collection practices. Above all, check references! Remember that another practitioner, even though they are operating independently, can either enhance or tarnish your own reputation. Ensure that the new person is competent and ethical, exhibiting high standards in practice. Reference checks are essential to determine this if the person is unknown to you.

Recognize the differences between an employee, an associate and a partner:

- **Employee**—a formal working relationship with you as supervisor and the employee in a line reporting relationship to you.
- **Associate**—a working relationship—usually contractual—where the associate operates on a fee-for-service "as-needed" basis with your practice, but is not a formal member of the business.
- **Partner**—someone who jointly shares in the practice, or shares in the ownership of the practice, and with whom you are on equal footing in the practice. It is advisable to develop a legal partnership agreement that clearly specifies financial and other responsibilities in this arrangement. Such an agreement should be reviewed by a lawyer and cover such events as departure of a partner, dissolution of the partnership, division of assets, etc.

Client complaints

From time to time clients may have concerns about either the clinical service they receive, or about the business aspects of your practice. Complaints about professional practice are handled in a specific manner by your regulatory body. Certainly treat your client's complaint with respect and comply with requests made by the regulatory body so that the matter can be settled in as professional a manner as possible.

While complaints about the business aspects of your practice are more likely to be handled with a somewhat less formal procedure, they also must be treated seriously—with a high degree of respect. In business, reputation and word of mouth can be your best ally if the word is good. They can also hurt your business if the opposite is true. Reputation and client complaints may have less to do with your clinical skill than with the procedures you use to handle a concern or dispute.

The best way of addressing client complaints is to resolve the situation with a one-to-one conversation—preferably in person. Listen to the person's concerns, express your understanding of the situation, seek some common ground and then attempt to find a suitable compromise. The goal is not to win, but to resolve. If this fails to address the client's concern, ask the complainant to submit a written complaint and follow it up with a written response. Frequently, setting concerns in writing takes the emotion out of the complaint, giving both parties a better opportunity to arrive at resolution.

In the event written correspondence fails, you may wish to involve a mediator. A mediation process can be conducted using separate meetings of the parties, or at one meeting attended by all parties.

Try to place yourself in the position of the complainant—they are complaining for some reason. Do your best to resolve the issue in a professional, courteous manner. Remember that considerable damage can occur from an improperly handled complaint: to the client, yourself, your practice and your colleagues. If you are finding that complaints about a specific aspect of your business practice arise regularly, then brainstorm to develop better procedures. Do not hesitate to contact peers to get new suggestions and solutions.

Managed health care

All independent practitioners in Canada should be aware of managed health care, a new trend in service provision that already is well established in the United States and is becoming more prevalent in Canada. Provision of psychological services tends to be limited in terms of the sessions permitted (often as low as five to eight sessions) and focuses more on problem-specific intervention than on long-term psychotherapy. Clients may return occasionally throughout their lives as other specific problems emerge.

As a private practitioner you may seek, or be asked to provide services on behalf of clients who belong to such programs. Employee and Family Assistance Programs (EFAPs) are one example of these programs in Canada. Referrals come through a case manager with the program and specify the nature of the service required, the hours, and proportion of the fee that the program will pay on behalf of the client. Programs often require that billing be done in a specific manner and brief progress reports are usually required by the case manager before invoices will be paid. The latter are used to gauge the effectiveness of the service you offer and clients sometimes also must complete evaluation forms about your service that are then forwarded to the case manager.

Psychologists trained in a more traditional model of service delivery often find these various conditions initially restrictive. Measures can be taken, however, to ease these concerns, such as:

- Refuse to take such referrals if they do not fit with your mode of practice.
- Have both you and your client clearly understand the requirements of the program and be willing to work within those boundaries.
- Ensure that the client clearly understands that they are responsible for any fees in excess of those covered by the program.
- Always obtain signed consents for the progress reports sent to the case manager.
- Be clear about the administrative aspects of the program required from your office and attend to them in an organized and efficient manner.

Insurance companies sometimes require the completion of various forms in addition to the provision of itemized receipts as outlined earlier in Section V, Business and stationery forms.

C. Market expansion

As you work to establish and then operate your independent practice, you necessarily assume public relations responsibilities and must actively market and promote your practice. Many marketing strategies were discussed in section IV. Use of these strategies will contribute to increased growth of your practice over time.

Some practitioners are content with this growth and the development of a steady stream of referrals. Others however, wish to expand their practice further, branch into other areas of service provision or geographic locations, or increase profitability of their practice. Any major attempt to increase markets requires research, testing and analysis.

As you conduct a market analysis to determine the feasibility of expansion, you should follow the same steps that you used in determining the initial feasibility of your practice as discussed earlier. You again must consider such factors as:

- Special needs for more or different types of service (e.g., specific problem areas, evening or weekend hours, unserved locations).
- The numbers of other practitioners in the area—the competition.
- The demographics of the population (e.g., density, age, family makeup, language, culture).
- The availability of special funding for specific problems, cultural groups, locations.
- Tendering for block or contracted funding of specific programming. Tenders and proposals for such funding require specialized writing skills as well as some cognizance of the politics involved in such applications. The tendering agency or government department will have specific requirements and deadlines in an often lengthy tendering procedure.

If you are new to the tendering process, or in the writing of serious project proposals, do not hesitate to contact other colleagues who are familiar with the process. Expect to pay for this valuable advice, as tenders and program proposals are complex and require considerable time and energy. Consultation with an expert allows you to avoid many pitfalls in the process and is worth the monetary investment. In addition, numerous self-help manuals are available to assist you in developing quality proposals.

A word of caution for this process: ensure that you estimate costs accurately and do not underbid solely to get the contract, as you may end by providing the service for free. Also ensure that your business has the infrastructure to support increased administrative demands that would be incurred by a successful tender or the acceptance of your proposal.

VII. Confidentiality and Clinical Issues

A. Confidentiality

As a private practitioner you must act in accordance with the code of ethics adopted by your provincial regulatory body. Most jurisdictions in Canada use *The Canadian Code of Ethics for Psychologists* of the Canadian Psychological Association. The dignity of your clients and their right to privacy are paramount and must be supported by every policy and procedure of your practice.

Under no circumstances should anyone in your practice divulge unauthorized information about clients. Discussion of cases between practitioners should take place only with client consent or when the client's anonymity is secure. Even under these circumstances such discussions should only take place when it is clearly in the best interests of the client.

The electronic storage and transfer of information grow more complex daily and you will need to be alert to the challenges facing you in maintaining confidentiality in the electronic media.

B. Clinical records

Complete, organized and proper clinical records enhance service provision and also serve to protect the practitioner in the event of a malpractice allegation or later subpoena to court.

Core contents

Clinical files for each client should contain:

- Identifying data: name, birth date, address, phone numbers, gender.
- Intake form identifying presenting problems.
- Record of appointments, no-shows, cancellations.
- Any assessments undertaken and interventions recommended, formulation and treatment goals.
- Description of the types and dates of the services provided, record of cancellations and no-shows.
- Periodic description of client progress.
- Copies of any formal service agreements.
- Copies of signed releases of information and of the information released (Release of Information forms should include the names of any persons you expect to be contacting, the reason for the contact and the kind of information you will be discussing. Without a release, you are bound by confidentiality to refrain from discussing any information the client has not authorized you to disclose).
- Copies of any release forms for taping, training, etc.
- Copies of any written correspondence and record of phone calls.

Key elements

Key elements to be addressed in effective clinical record-keeping include:

- Date all reports only on the day they are completed.
- Reports are to be signed by the practitioner providing service.

- Where assessments or reports cannot be completed due to illness, injury or death of the practitioner, include a mechanism for transferring the file to an associate for conclusion.
- Notes must be accurate and specific—these are vital to help follow the progress of a client. Include a mechanism for regular file review.

Security of information

All records, regardless of whether they are on paper or electronic, must be kept securely. Choose fireproof cabinets and locations away from general traffic areas.

- Keep files and records under lock and key at all times—secured from public access.
- Keep public areas of the practice—particularly the reception area—free of personal or financial information.
- Shred all recordings or client documents that are no longer needed.
- Contact your provincial association for guidance on the length of time files need to be kept before they can be destroyed.

Release of information

Remember that psychologists do not have privileged communication. File information and your professional opinion can be subpoenaed by the courts. Contact your provincial association for guidance related to release of information.

- Signed client consents for release of information must always be obtained.
- Reports are not to be released if an account becomes delinquent.
- Do not permit file information to be given over the phone by your staff.

VIII. Insurance and Areas Requiring Legal Consultation

A. Insurance

Professional liability insurance is essential, so that you can protect yourself from the cost of defending yourself in the event a client files a malpractice complaint against you. **Business insurance** is also required to cover losses associated with fire, theft or vandalism. It also covers negligence claims for personal injuries that occur in your business location, and is particularly important if you run an office out of your home. **Disability income insurance** is prudent as it will pay a portion of your salary for a time if you are temporarily or permanently disabled. Basic office operating expenses can then be covered until you return to work, or until you can permanently close or sell your practice. Practitioners also should ensure they have **health insurance and extended benefits** if they do not have coverage from other sources.

B. Legal consultation

Lawyers can offer excellent advice regarding specific issues and can review various documents for you, that can result in considerable savings in frustration and money in the long-term. Issues and areas that may require legal consultation include:

- Representation in the event of a malpractice allegation.
- Review of office leases (e.g., to ensure appropriate escape clauses).
- Development and review of partnership agreements and business wills. If you enter a partnership, develop a legal partnership agreement that outlines:
 - Operating principles for the practice.
 - Roles and responsibilities.
 - Division and ownership of assets.
 - Division of expenses.
 - Conflict resolution mechanism.

You may wish to set up business wills if you are in private practice with partners. In the event of a death within the practice, the surviving partner(s) can better deal with the process of redefining the practice.

- Review of contracts that you sign as part of providing contractual work. Contracts should include:
 - Statement of fees, anticipated expenses and time requirements.
 - Number of expected sessions.
 - Expected outcomes—include measurement tools to be used.
 - Start and finish dates.
 - Key contacts, phone numbers and responsibility areas.
 - Termination clauses—for both parties.
- Consultation in conjunction with your accountant about the feasibility of incorporation of your business, as well as actually executing the process if you decide to incorporate.

IX. Other Specialized Areas

A. Training and supervision of students

Many independent practitioners may at times, wish to, or be asked to supervise students or trainees. While such an activity may be gratifying, ask yourself the following questions before taking on a student:

- Do you have time to properly supervise?
- Will the student be paid and by whom?
- Will clients be charged the same fee to see a student as they would to see you?
- How will supervision be structured?

Once you agree to supervise a student, draft a written agreement with the student outlining expectations, hours, performance standards, dates for review of performance and feedback mechanisms. Ensure that you and the student are aware of the ethical issues in the provision of training. Secure the consent of clients to work with the students, and place the student's name on any Release of Information forms.

Ensure that you have written policies and procedures in your Policy and Procedures manual to address issues in training students.

B. Self-care and burnout prevention

In order to provide the best possible service to clients it is essential that independent practitioners develop strategies to maintain their energy and competence. This requires a willingness to self-evaluate and take measures to remedy areas of difficulty.

To maintain professional competence and clinical skill, employ strategies such as:

- Soliciting **client feedback**—develop client satisfaction forms that can be returned anonymously if desired.
- Seeking **peer review** of both clinical skills and office practices.
- Continuing **academic study**.
- Attending **workshops, seminars and conferences**.
- Conducting **workshops** and making presentations at **conferences**.
- Reading emerging psychology literature and developing a **personal bibliography** of useful resources.
- Engaging a **mentor** as a valuable resource. Mentorship can benefit you professionally and personally. The advantage of having a mentor is that you will gain a wealth of experience from which to draw and an honest opinion when you need one. If you are an experienced professional, do not hesitate to respond to a less experienced colleague. The profession benefits enormously from the shared experience of mentorship.
- Obtaining **supervision** and/or **consultation**. This may be arranged on an individual basis with a senior colleague, or may be obtained through a group supervision process with several colleagues.

To maintain personal energy and healthy psychological functioning, and prevent burnout, attend to the following:

- **Time management and stress reduction.** The appropriate management of time is critical for private practitioners. Whether you enter private practice as an employee, an associate or as an individual partner, you will have a strong sense of identification with your work. The tendency will be to put all you have into this enterprise. Over time this can lead to a troubled practice.

Burnout is a real issue for psychologists. Remember that as a private practitioner you are also a business person, accountant, stock-buyer, supervisor and marketer. Managing your time wisely is critical to remaining an effective practice. Creating a healthy balance between personal life and work is essential.

Working as a psychologist is difficult enough without all the headaches of running a business. Some are more prone to stress than others, but all experience it. The key to avoiding major stress is to recognize when it is coming and deal with it early. Good time management techniques can reduce your stress levels.

Recognize that stress can be related to a variety of factors such as overwork, not enough clients or business, partnership problems, difficult clients, personal issues.

- **Holidays and absences from your practice.** Do not forget to give yourself holidays and make sure you factor this into your annual projections and business planning. Schedule holidays to match your needs and to fit the length of time your practice can absorb your absence. Try not to succumb to the temptation to cancel or reschedule holidays in favour of work requirements.

Getting coverage for those times when you are absent from the practice can be a delicate matter, but is manageable with advance planning. Try to do the following:

- Notify clients as soon as possible about planned absences.
 - Give clients the option to keep scheduled appointments or wait for your return (presuming back-up psychologist's services are available).
 - Discuss concerns your clients may have about your absence.
 - Offer clients the chance to schedule a session with you prior to your leaving or with the psychologist who will be covering for you.
 - Outline in writing your expectations for the psychologist covering for you.
 - Only allow someone with whom you are comfortable to cover for you.
 - Establish a reciprocal relationship with colleagues—be prepared to cover during their times of absence.
- Build in **benefit packages**.
 - Build in **consultation time with other practitioners** to alleviate the isolation that can come from working alone.
 - **Attend conventions and workshops.**
 - **Keep your personal world separate and healthy.**
 - Ensure that you do some work with **cases and situations that both challenge and provide enjoyment** to you.

C. Selling your practice

Disposing of a practice can be a difficult and emotional process—both for you and your clients. You may decide to sell for any number of reasons—moving, retiring, illness or career change. Should you be contemplating a sale of your practice, treat this termination as professionally and delicately as you would any other potentially traumatic event in your client's life.

When terminating your practice, inform your clients as soon as you can. Give them adequate lead time to adjust to your leaving and assist them at any point in seeking a new practitioner—one you like and trust.

After you have looked at the present and future needs of your clients, then examine the mechanics of selling. Conduct a valuation of the practice—determine its annual worth by subtracting costs of operation from gross income. Determine the implicit value of the practice—the number of clients likely to remain

after the sale. Factor in anything that adds value: a good referral network that can be passed on, a core client list—especially third party clients. Finally, look at the physical value of your office and location—especially if you are selling the contents and transferring a lease.

For further information on disposing of a practice, refer to Sherri Ferris' article entitled *Selling Your Private Practice: 10 Provocative Questions*, in the *California Therapist*, issue 4 (1) January/February, 1992.

X. Conclusion

This guidebook is intended to help you through the process of setting up or enhancing a private practice. The process is challenging and no doubt you may have remaining questions about various aspects of the process. Do not hesitate to contact other professionals and your professional associations for support and suggestions as you enter and proceed with the process. At the same time, note that the process can be both exhilarating and frustrating. In the end, with careful thought, planning and management, you can build a thriving practice that provides not only personal and professional gratification, but a good income as well.

Know your strengths, as well as limitations. Know your community. Know when to ask for advice and help."

In summary, Dr. John Paterson, a well-regarded chartered psychologist serving Alberta and the Northwest Territories advises, "Know your strengths, as well as limitations. Know your community. Know when to ask for advice and help".

Good luck and good work with your practice!

Appendix A: Professional and Personal Readiness Checklists

(Adapted from Merchant/James, 1992)

Professional readiness	Yes	No
1. Do I currently have the professional competence and skill needed to offer mental health services on an independent basis?	<input type="checkbox"/>	<input type="checkbox"/>
2. Am I duly chartered and qualified to practice in this province?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is there an experienced or knowledgeable therapist I respect who would be willing to supervise me and provide feedback?	<input type="checkbox"/>	<input type="checkbox"/>
4. Can I obtain Professional Liability Insurance to protect myself and my family while I practice?	<input type="checkbox"/>	<input type="checkbox"/>
Personal readiness	Yes	No
1. In addition to time spent with clients, an independent practice will take many hours a week to promote and supervise Are my spouse and family supportive and enthusiastic?	<input type="checkbox"/>	<input type="checkbox"/>
2. Are there any personal problems or conflicts in my life that could affect my client's progress that require resolution before entering private practice?	<input type="checkbox"/>	<input type="checkbox"/>
3. Is my physical health good enough to meet the demands of a private practice?	<input type="checkbox"/>	<input type="checkbox"/>
4. Do I realistically have time to start and run a private practice?	<input type="checkbox"/>	<input type="checkbox"/>
5. Am I able to handle frustration, uncertainty and risk-taking?	<input type="checkbox"/>	<input type="checkbox"/>
6. Will I accept infringements on my personal time with calls from clients on evenings, weekends and holidays?	<input type="checkbox"/>	<input type="checkbox"/>
Readiness for Self-employment	Yes	No
1. Can I accept full responsibility for the success or failure of my own practice?	<input type="checkbox"/>	<input type="checkbox"/>
2. Can I effectively organize my time, and plan and work efficiently without structure?	<input type="checkbox"/>	<input type="checkbox"/>
3. Do I have confidence and do I believe in my ability to develop a successful practice?	<input type="checkbox"/>	<input type="checkbox"/>
4. Am I willing to spend time in practice promotions, public relations and presentations to convey to the community that I am operating a private practice?	<input type="checkbox"/>	<input type="checkbox"/>
5. Can I make and stick by my decisions?	<input type="checkbox"/>	<input type="checkbox"/>
6. Am I comfortable with collecting fees directly from clients?	<input type="checkbox"/>	<input type="checkbox"/>

- 7. Can I afford to do it financially?
- 8. Am I able to persevere and persist in the face of adversity?
- 9. Can I perform the administrative duties of a private practice and still maintain the highest level of professional performance?
- 10. Am I willing to govern my practice, at all times and in all places, according to the ethical standards of my profession?

Appendix B: Sample Forms and Policy

1. Sample forms

- a. Client Referral.
- b. Client Registration/Acceptance of Services Agreement.
- c. Billing/Payment Agreement.
- d. Fax Cover.
- e. Invoice.
- f. Receipt.
- g. Consent to Release Information.
- h. Client Evaluation Survey.

2. Sample Staff Development Policy

AAA Psychological Services

Client Referral

Date:	
-------	--

Source:

Name:	Phone:
Address:	

Client Name:

Last Name:	Birth Date: (D/M/Y)
Given Names:	Age:
AKA:	Home Phone:
Address:	Work Phone:
Code:	

Emergency Contact/Legal Guardian of Child:

Name:	Relationship:
Address:	Home Phone:
Code:	Work Phone:

Problems Presented:

Service Requested:

Action Taken:

Rate & Billing Particulars:

AAA Psychological Services

Client Registration

<u>File number:</u>	<u>Therapist:</u>
	<u>Date opened:</u>
<u>Family name:</u>	
<u>First name:</u>	
A:	D.O.B.:
B:	D.O.B.:
C:	D.O.B.:
<u>Referred by:</u>	
Name:	Relationship:
<u>Have you been a client of AAA previously?</u>	
<u>Address:</u>	<u>Second Address:</u>
<u>Phone:</u>	
H:	H:
W:	W:
<u>Emergency Contact:</u>	
Name:	Relationship:
<u>Confidentiality Requirements:</u>	
<u>Bill to:</u>	
Name:	Treaty Status (Y/N)?
Address:	Band Name:
	Treaty Number:
<u>Hourly Rate:</u>	
Flat:	Ind:
Ind.:	Fam:
I hereby accept services from AAA Psychological Services under the terms and conditions which have been reviewed with me. I accept personal responsibility for missed appointments and any billings not payable by third party coverage and understand that past due interest will be charged at the rate of ___ % per month on the unpaid balance after 30 days.	
<u>Signature:</u>	<u>Date:</u>

AAA Psychological Services

Payment Agreement

Date:

Client Name:	Home Phone:
Address:	Work Phone:
	Message:

Payment for services are required prior to each appointment. Trust retainers must also be in place prior to the first appointment. Cash, cheques and Mastercard are accepted. Receipts will be promptly issued upon request. Exemptions should be discussed in advance with your counsellor.

Cancellations or reschedulings require forty-eight (48) hour advance notification to avoid hourly costs.

Statements are based on the standard of fifty minutes of counselling/assessment time and ten minutes administration/recording time. Please speak to your counsellor should you have any questions with respect to billing policies.

We want to provide you with quality service. Please let us know if you have any concerns or special needs.

Signature:

Date:

AAA Psychological Services

Fax Cover

ADAM A. ASHROUND, Ph. D.

123 ASH STREET
ANYWHERE, ALBERTA

TELEPHONE (403) 200-0000
FAX NUMBER (403) 200-0001

DATE:	
ATTENTION:	FROM:
COMPANY:	HARD COPY TO FOLLOW (Y/N):
FAX NUMBER:	TOTAL NUMBER OF PAGES TRANSMITTED (INCLUDING COVERSHEET):

ADDITIONAL COMMENTS:

CONFIDENTIALITY WARNING:

This transmission and any accompanying documents contain confidential information intended for a specific individual and purpose. The information is private, and is protected by law. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or the taking of any action in reliance on the contents of this telecopied information is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original to us by regular mail.

AAA Psychological Services

Invoice

ADAM A. ASHROUND, Ph. D.

123 ASH STREET
ANYWHERE, ALBERTA

TELEPHONE (403) 200-0000
FAX NUMBER (403) 200-0001

INVOICE NUMBER: 0001

TO:

DATE:

For Professional Services:

Provided re:

Provided on:

TOTAL PAYABLE

\$

Provided by: Dr. Adam A. Ashround — C. Psych # 000 AB

Note: Services are GST exempt as Dr. Ashround is registered on **the Canadian Register of Health Service Providers in Psychology # 0000**

Receipt provided on payment for Insurance and Tax Purposes
DUE ON RECEIPT – PLEASE RETURN ONE COPY FOR PAYMENT

AAA Psychological Services

Receipt

ADAM A. ASHROUND, Ph. D.

123 ASH STREET
ANYWHERE, ALBERTA

TELEPHONE (403) 200-0000
FAX NUMBER (403) 200-0001

RECEIPT NUMBER: 0001

Received From _____

_____ and ____ / 100 Dollars

For Psychological Services

\$ _____ Provided to _____

On _____

Official Receipt for Insurance and Tax Purposes
By Dr. Adam A. Ashround
CRHSPP 0000

C. Psych., #000 Alberta

AAA Psychological Services

Consent to Release Information

ADAM A. ASHROUND, Ph. D.

123 ASH STREET
ANYWHERE, ALBERTA

TELEPHONE (403) 200-0000
FAX NUMBER (403) 200-0001

I, _____, on behalf of myself and/or

_____ consent to the release of the following information:

To: _____ and vice versa (Yes/No).

Dated at _____ on the _____ day of _____, 19__.

This consent to release information is valid for _____ months from the date of signing.

Witness

Client

AAA Psychological Services

Client Evaluation Survey

Recently, you (and/or your family) used the psychological services of _____. I am very interested in your reaction to and opinion of the service provided. I am giving you the option of responding to the following questionnaire as a process of providing feedback and enhancing the services received. It is not necessary to put your name on the survey, unless you choose to do so. Please return this form to our receptionist. Thank you for your assistance in this matter.

Overall, how would you rate each of the following areas? (One checkmark for each area please)

	Very Good	Good	Average	Poor	Very Poor
Introduction by _____	<input type="checkbox"/>				
Explanation of his/her qualifications	<input type="checkbox"/>				
Explanation of clinic policy	<input type="checkbox"/>				
Professionalism	<input type="checkbox"/>				
Listening skills	<input type="checkbox"/>				
Understanding of your situation	<input type="checkbox"/>				
Level of knowledge	<input type="checkbox"/>				
Therapeutic skills	<input type="checkbox"/>				
Overall helpfulness	<input type="checkbox"/>				
Appropriate and timely termination of therapy	<input type="checkbox"/>				

Your name (if you choose):

Problem(s) for which you sought therapeutic services:

Briefly describe any other reactions or feelings which you had about your experience with _____:

Thank you for completing this survey.

AAA Psychological Services

Staff Development

Policy

All professional staff are entitled to two staff development conferences or workshops per year. One of these may be out of town and the other will be local.

Procedure

Applications for staff development functions must be received at least one month prior to the function date. The registration fee, meals, transportation and overnight accommodation when necessary will be covered to a maximum of \$ _____ for out of town functions and \$ _____ for in-town functions. Staff are required to submit receipts in order to obtain reimbursement. Maximum allowable rates for meals, transportation and accommodation will follow the guidelines below. The staff member is responsible for any costs incurred above these rates.

Guidelines

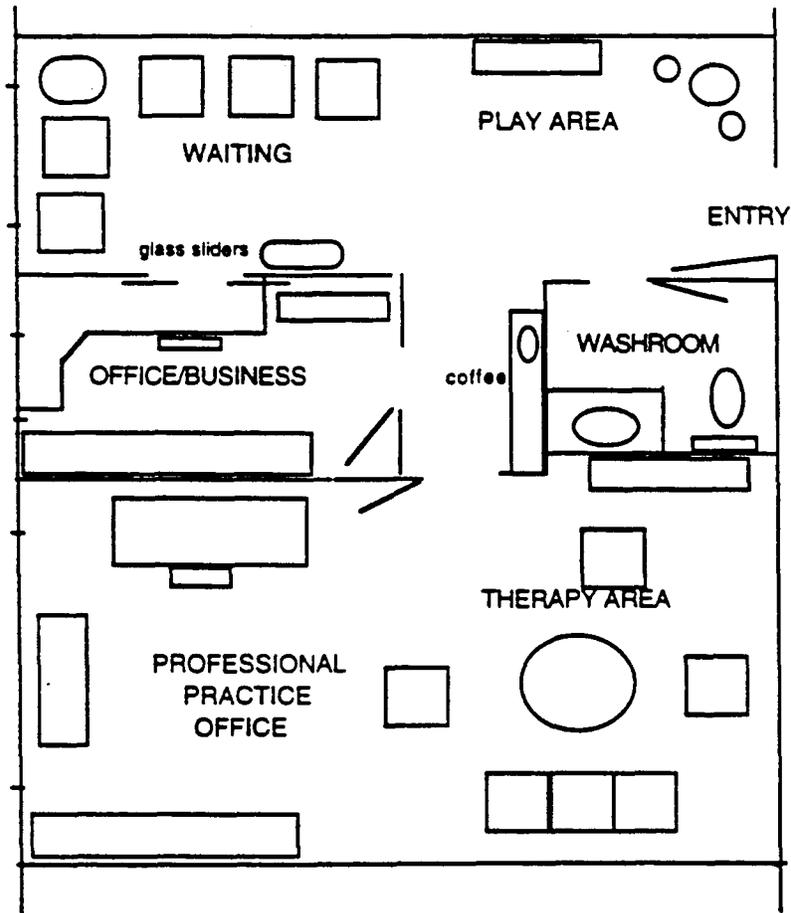
Professional staff can apply for staff development funds only after they have completed their probationary period.

Reimbursement rates

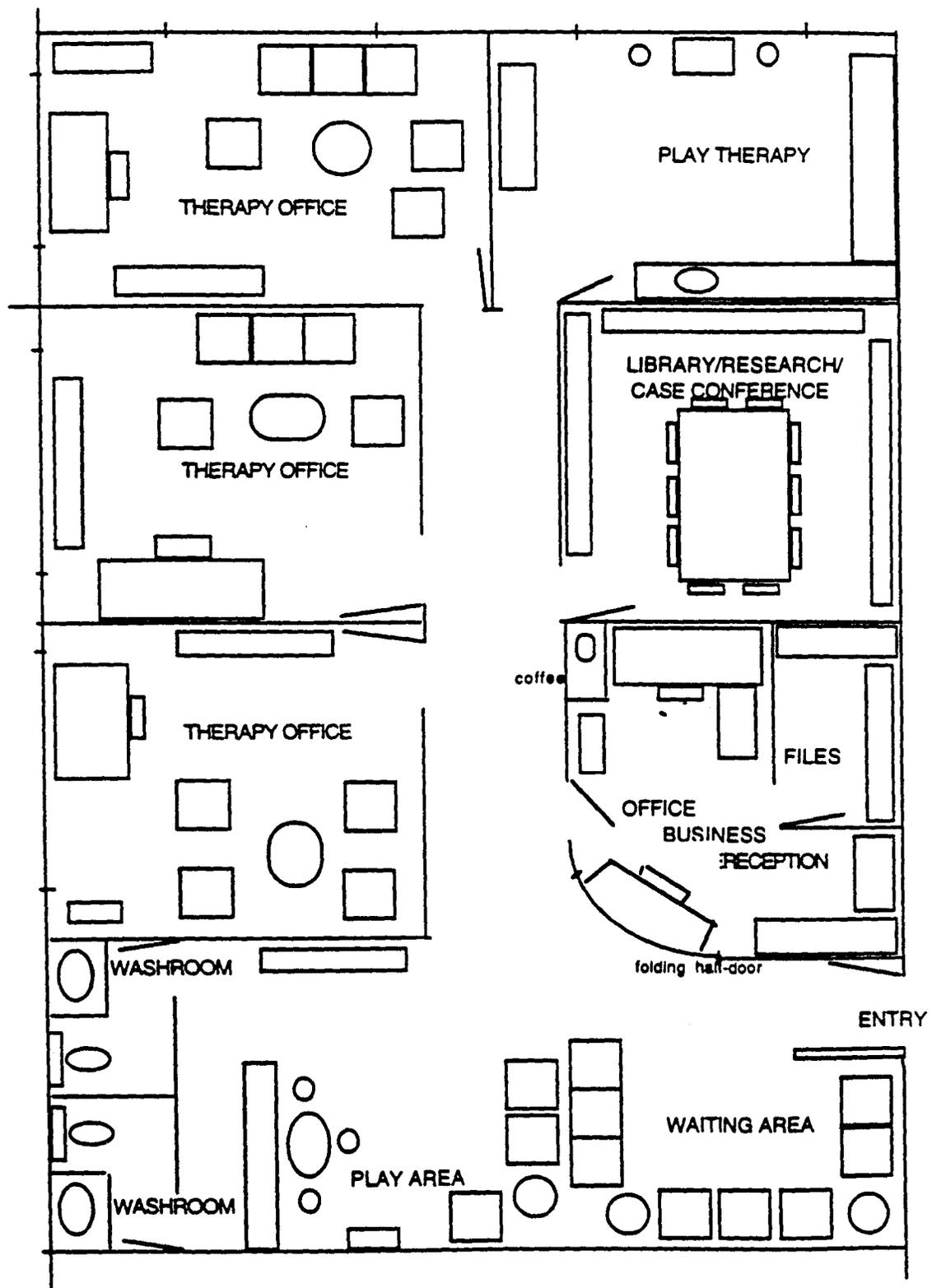
Breakfast	\$	
Lunch	\$	
Dinner	\$	
Mileage rates	\$	per kilometer
Accommodation	\$	per person per night

Appendix C: Sample Office Design

Plan for One-Psychologist Office



Plan for Joint-Practice Office



Appendix D: Business Plan Format

1. Executive Summary
2. Practice Description
3. Market Analysis
 - a. Target market
 - b. Competition
4. Marketing Plan/Communications Strategy
5. Operations
 - a. Management
 - b. Organization
 - c. Long term development
 - d. Exit planning
6. Financial Plan
7. Attachments

Appendix E: Resource List—General Sources of Assistance

- Canada Business Development Centres—Federal Government.
- Chambers of Commerce.
- Community Futures Programs (outside of larger urban areas)—Federal Government.
- Career Development Centres—Provincial Government.
- Consulting Services—private or attached to colleges and universities.
- Banks and Trust Companies—for business development packages.
- Provincial Psychological Associations.
- Canadian Psychological Association.

Appendix F: National, Provincial and Territorial Associations

Persons wishing to practice psychology or use the title "psychologist" in the provinces of Canada and the Northwest Territories must hold a certificate of registration from their provincial/territorial Registration, Certification, or Licensing Board for Psychologists. Currently, it is not mandatory that psychologists be registered in the Yukon.

Many provinces have collegial bodies attached to the regulatory bodies, while some provinces have separate regulatory and collegial bodies. It is not mandatory to belong to these collegial bodies, but it is beneficial as they provide support networks for psychologists.

National Association

Canadian Psychological Association
151 rue Slater Street, Suite 205
Ottawa, ON, K1P 5H3

Telephone: (613) 237-2144
Fax: (613) 237-1674
Website: www.cpa.ca

Provincial and Territorial Associations

Alberta

Psychologists Association of Alberta (collegial and regulatory)
Suite 520, Metropolitan Place
10303 Jasper Ave.
Edmonton, AB T5J 3N6

Telephone: (403) 424-0294
Fax: (403) 423-4048

British Columbia

College of Psychologists of British Columbia
Suite 404, 1755 West Broadway
Vancouver, BC V6J 4S5

Telephone: (604) 736-6164
Fax: (604) 736-6133

Psychological Association of British Columbia (collegial)
1755 West Broadway, #202
Vancouver, BC V6J 4S5

Telephone: (604) 730-0501
Fax: (604) 730-0502

Manitoba

Psychological Association of Manitoba (regulatory)
59 Goulet Street, Suite 307
Winnipeg, MB R2H 0R5

Telephone: (204) 947-3698
Fax: (204) 487-0784

Manitoba Psychological Society Inc. (collegial)
Box 151 RPO Corydon
Winnipeg, MB R3M 3S7

Telephone: (204) 488-7398

New Brunswick

College of Psychologists of New Brunswick (regulatory and collegial)
403 Regent St., Suite 211
Fredericton, NB E3B 3X6

Telephone: (506) 459-1994
Fax: (506) 459-3608

Newfoundland

Newfoundland Board of Examiners in Psychology (regulatory and collegial)
P.O. Box 5666, Stn C
St. John's, NL A1C 5W8

Telephone: (709) 579-6313

Association of Newfoundland Psychologists (collegial)
P.O. Box 13700, Stn A
St. John's, NL A1B 4G1

Telephone: (709) 739-5405

Northwest Territories

Association of Psychologists of the Northwest Territories (regulatory)
Professional Licensing, Northwest Territories Safety and Public Services Consumer and Corporate Affairs
Registrar of Psychologists, Department of Health and Social Services
Eighth Floor, Centre Square Tower
Government of the NWT
Box 1320
Yellowknife, NT X1A 2L9

Telephone: (867) 920-8637
Fax: (867) 873-0484

Association of the Psychologists of the Northwest Territories (collegial)
Box 1195
Yellowknife, NT X1A 2N8

Telephone: (867) 873-5371
Fax: (867) 873-8170

Nova Scotia

Nova Scotia Board of Examiners in Psychology (regulatory)
Suite 1115, Halifax Professional Centre
5991 Spring Garden Road
Halifax, NS B3H 1Y6

Telephone: (902) 423-2238
Fax: (902) 423-2238

Association of Psychologists of Nova Scotia (collegial)
P.O. Box 594, Stn M
Halifax, NS B3J 2R7

Telephone: (902) 422-9183

Ontario

The College of Psychologists of Ontario (regulatory)
1246 Yonge Street, Suite 201
Toronto, ON M4T 1W5

Telephone: (416) 961-8817
Fax: (416) 961-2635

Ontario Psychological Association (collegial)
730 Yonge Street, Suite 221
Toronto, ON M4Y 2B7

Telephone: (416) 961-5552
Fax: (416) 961-5516

Prince Edward Island

Prince Edward Island Psychologists Registration Board (regulatory)
Office of the Dean of Arts
University of PEI
Charlottetown, PE C1A 4P3

Telephone: (920) 566-0307
Fax: (902) 566-0304

Psychological Association of Prince Edward Island (collegial)
Dept. of Psychology
University of PEI
Charlottetown, PEI C1A 4P3

Telephone: (920) 566-0323
Fax: (902) 628-4359

Quebec

Ordre des psychologues du Québec (regulatory and collegial)
1100 Avenue Beaumont
Bureau 510
Ville Mont-Royal, (Québec) H3P 3E5

Telephone: (514) 738-1881
Fax: (514) 737-6431

Association des Psychologues du Québec
1150, boul. St-Joseph Est, bureau 208
Montréal (Québec) H2J 1LS

Telephone: (514) 528-7498
Fax: (514) 528-6020

Saskatchewan

Saskatchewan Psychological Association (regulatory)
1249 8th Street East
Saskatoon, SK S7H 0S5

Telephone: (306) 955-3588

Psychological Society of Saskatchewan (collegial)
P.O. Box 4528
Regina, SK S4P 3W7

Telephone: (306) 586-2045
Fax: (306) 787-3400

Yukon

No listing available.

Appendix G: Starting and Operating an Independent Professional Practice in Psychology—A Final Checklist

- Personal and Professional Readiness checklist** completed.
- Advantage/disadvantage analysis** of establishing private practice undertaken.
- Market review** completed to determine need for service.
- Transition options** considered. **Referral marketing strategies** developed.
- Referral handling procedures** developed.
- Office location analysis** undertaken.
- Equipment/supply needs** identified.
- Office design analysis** undertaken.
- Detailed business plan** created.
- Marketing plan** created.
- Operating plan** created.
- Financial plan** created.
- Fee schedule, billing and collecting procedures** established.
- Financial record keeping system** in place.
- Banking arrangements** completed.
- Office policies and procedures** established.
- Client records system** in place.
- Insurance and licensing requirements** addressed.

Appendix H: Bibliography

Books

- Andrews, L. (1987). *To thine own self be true*. Garden City, NY: Anchor Press/Doubleday.
- Austad, C. S., Berman, W. H. (Eds.). (1991). *Psychology in managed health care*. Washington, DC: American Psychological Association.
- Bennet, B., Bryant, B., Vandebos, G., Greenwood, A. (1990). *Professional liability and risk management*. Washington, DC: American Psychological Association.
- Canadian Psychological Association. (1991). *Canadian code of ethics for psychologists*. Old Chelsea, Quebec.
- Carroll, M. A., Schneider, H. G., Wesley, G. R. (Eds.). (1985). *Ethics in the practice of psychology*. Englewood Cliffs, NJ: Prentice-Hall.
- Fields, F. R. J., Horwitz, R. J. (Eds.). (1982). *Psychology and professional practice*. Westport, Conn.: Quorum Books.
- Gold, M (1994). *The foundations of your private practice*. Alameda, CA: Hunter House Inc.
- Hendrickson, D. E., Janney, S. P., Frazee, J. E. (1980). *How to establish your own private practice*. Muncie, Ind.: Professional Consultants Associates.
- Kaplan, S J. (1986). *The private practice of behaviour therapy*. New York, NY: Plenum Press.
- Kilburg, R. (1991). *How to manage your career in psychology*. Washington, DC: American Psychological Association.
- Kottler, J. A., Blau, D. S. (Eds.). (1989). *The imperfect therapist: Learning from failure in therapeutic practice*. San Francisco, CA: Jossey-Bass Publishers.
- Lakin, M. (1988). *Ethical issues in the psychotherapies*. New York, NY: Oxford University Press.
- Levin, A. (1983). *The private practice of psychology*. New York, NY: Free Press.
- Pettifor, J., Bultz, B., Samuels, M., Griffin, R., Lucki, G. (1994). *The professional practice of psychology: Self-evaluation*. Edmonton, AB: Psychologists Association of Alberta.
- Thompson, A. (1990). *Guide to ethical practice in psychology*. New York, NY: Wiley.
- Tryon, G. S. (Ed.). (1986). *The professional practice of psychology*. Norwood, NJ.: Albex Publishing Corporation.

Articles

- Adams, J. (1993). A brave new world for private practice. *Family Therapy Networker*, 11, 18-25.

Godwin, L. R. (1989). Private counselling: A primer. *Journal of Applied Rehabilitation Counselling*, 20, 41-46.

Goldmeier, J. (1990). Combining agency and private practice. *Families in Society*, 71, 634-619.

Hines, M. (1988). How to fail in private practice. *Journal of Counselling and Development*, 67, 253-254.

Pittman, F. (1987). Why I love private practice. *Family Therapy Networker*, 11, 26-32.

Strom, K. (1994). Clinicians' reasons for rejecting private practice. *Families in Society*, 75, 499-508.

Tomine, S. (1986). Private practice in gerontological counselling. *Journal of Counselling and Development*, 64, 406-409.

Wolfish and Coover. Beginning and Maintaining an Independent Practice. *Professional Psychologist: Research and Practice*, 20, 54-55.

Other materials

Amundson and Associates. (1995). *Office procedures*. Calgary, AB: Psycho-Social Consultation and Services Inc.

Merchant, D. F., James, J. E., Choma, C. (1992). *How to establish a private practice*, Edmonton AB.