

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS

IN THE MATTER OF GUIDELINES FOR FEE  
APPLICATIONS FOR PROFESSIONALS----  
UNIFORM PRESUMPTIONS CONCERNING  
REIMBURSABLE EXPENSES

GENERAL ORDER 2001-

**Guidelines For Attorneys Fee Applications–Reimbursement of Expenses**

On November 28, 1998, the Court issued General Order 1998-5 providing for uniform presumptions among the divisions in this district concerning appropriate amounts for reimbursement of expenses. Since then, a bench/bar committee has reviewed those guidelines and suggested revisions.

After consideration of the proposed revisions, IT IS ORDERED THAT General Order 1998-5 is VACATED and the following order is substituted.

The following general guidelines are presented for the assistance of professionals in preparing fee applications to be presented to the Bankruptcy Court. These are merely presumptions, designed to assist in the efficient and inexpensive preparation and presentation of applications under all chapters of the Bankruptcy Code. In general, the Court will approve reimbursement of expenditures by professionals within the guidelines set forth below.

**However, it should be understood that these are guidelines only.** Any item appropriate for reimbursement that is not covered in the following guidelines must be alleged and proved in each case. In addition, if any professional believes that the guidelines are not applicable to that professional's application, the professional may assert and may present proof to the Court that a different allowance should be made. In addition, on its own motion or on request of a party in interest the Court may determine that a greater or lesser amount should be awarded in a particular case or that no reimbursement for one of the following items should be allowed in a particular case. The Court will ultimately be guided by the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, and Bankruptcy Local Rules.

The following kinds of expenses are generally allowed or disallowed as indicated below. As to each type of expense, applicant shall state the amount or rate customarily charged to its non-bankruptcy clients as well as the rate or amount sought in the application :

**A. Copy Costs**

- i. Reimbursement is allowed at the same rate as is charged by the professional to its non-bankruptcy clients up to \$.20 per page for copies made "in house."

- ii. For large copy projects, an outside copy service should be used if the rate charged by the outside copy service is less than the rate the professional would charge to its non-bankruptcy clients or less than \$.20 for basic copy services. Actual amounts charged by outside copy services will be allowed, including additional charges for collation, binding, mailing, delivery, etc.
  
- B. **Faxes** - The cost of both incoming and outgoing faxes will be allowed at the rationalized rate of \$.25 per printed page. Long distance charges will be allowed in the same manner and amounts as long distance telephone charges, actual out-of-pocket charges.
  
- C. **Courier/Delivery Services** – will be allowed at actual cost when reasonable and appropriate.
  
- D. **Overnight Delivery** – will be allowed at actual cost when justified by delivery time necessity.
  
- E. **Clerical Services and Expenses** –
  - i. Professionals, other than trustees compensated under 11 U.S.C. §326(a), may not be compensated for time associated with services that are essentially clerical or secretarial work, including, but not limited to, typing, filing, mailing and related activities, copying, faxing, etc.
  
  - ii. Clerical overtime and related expenses will be allowed only upon justification in very exceptional circumstances, such as emergency preparation for major trials or other exigent circumstances. Multiple claims in the same case may be considered as indicative of inadequate workflow planning and inadequate staffing, and thus not allowed.
  
- F. **Overtime Utilities**– will be allowed according to the same principles as employee clerical overtime.
  
- G. **Telephone Expenses**
  - i. No allowance for local land line and carrier charges.
  
  - ii. Actual out-of-pocket expenses for long distance telephone, and conference call charges. The applicant must be able to produce documentation of charges on request.
  
  - iii. Cellular telephone charges will be allowed at the actual out-of-pocket rate

up to \$.25 a minute. The applicant must be able to produce documentation of charges on request.

- iv. No allowance for air phone calls or charges except in very exceptional circumstances.

H. **Electronic Research, Internet Research, Public Records Research, Pacer/Bancap Access** –reimbursement allowed at actual out of pocket costs or, if compensated pursuant to a flat rate contract with the service provider, the per minute charge assessed to non-bankruptcy clients directly related to the client for which such research is more suitable, efficient or cost effective than traditional methods.

I. **Postage & Supplies** - postal charges, envelopes, paper, etc. for routine correspondence is considered an ordinary overhead expense, except for trustees compensated under 11 U.S.C. §326. However postage and supplies for general and large mailings to multiple parties will be allowed at actual out-of-pocket cost.

J. **Storage**

- i. Trustees compensated under 11 U.S.C. §326(a) who must store large volumes of documents or records (or other bulky items) may request reimbursement for actual storage charges offsite. The trustee should request the reimbursement in advance of making storage arrangements, should notice all creditors and parties in interest and should disclose the anticipated costs and duration of the storage arrangements. The stored items should be disposed of as quickly as reasonably possible under the circumstances.
- ii All other professionals may not be reimbursed for storage fees except in very exceptional circumstances. If a professional believes that such circumstances apply, the professional should request authority in advance, as trustees are required to do.

K. **Travel Time and Expenses**

- i. Travel and meals within the metropolitan area in which the professional normally practices
  - (1) No allowance for normal commuting and daily parking expenses. Case related travel expenses, including mileage and parking, are allowable. Mileage is allowable at the rate permitted by the Internal Revenue Service at the time the travel is made and should be recorded at the time of travel for later verification. Parking is

allowable at actual cost and receipts should be retained for verification.

- (2) No allowance for meals in the town in which the professional normally practices.
- ii. Travel charges outside the metropolitan area where the professional normally practices shall be allowed as follows–
    - (1) Travel by common carrier reimbursed only at the coach rate.
    - (2) Ground transportation and rental cars are allowable at actual cost and receipts should be retained for verification.
    - (3) Lodging and meals up to 300% of the approximate government per diem rate<sup>1</sup> except as otherwise specifically justified.
  - iii. Professionals may charge for time spent traveling out of town on a bankruptcy case at the same rate and on the same terms as they charge their non-bankruptcy clients provided however that the professional shall deduct from travel time any time spent working on another case or matter.

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<sup>1</sup> Refer to 41 CFR 301-11.303 and 301.305 or check the internet at <http://www.dtlc.mil/perdiem> or [www.fpml.com/pr/perdiemrates](http://www.fpml.com/pr/perdiemrates)

Done at Houston, Texas this 3 day of May, 2001.

/s \_\_\_\_\_  
Honorable, Richard Schmidt, Chief Judge

/s \_\_\_\_\_  
Honorable Manuel D. Leal

/s \_\_\_\_\_  
Honorable Letitia Z. Clark

/s \_\_\_\_\_  
Honorable William Greendyke

/s \_\_\_\_\_  
Honorable Karen K. Brown

/s \_\_\_\_\_  
Honorable Wesley W. Steen