

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO**

**GUIDELINES FOR COMPENSATION AND EXPENSE
REIMBURSEMENT OF PROFESSIONALS**

The following Guidelines govern applications for compensation and expense reimbursement. The Guidelines cover the narrative portions of applications, time records and expenses. Except as otherwise provided, the Guidelines apply to professionals generally including lawyers, accountants, appraisers, auctioneers, financial advisors and consultants unless, for cause shown, modifications are made at the time a professional is employed.

The Narrative

1. Employment; Prior Compensation; Holdback

The application shall state the date of the order approving applicant's employment, amount and deposit date of any retainer, the date of each prior request for compensation and the amount requested, approved and paid. Payment of interim fees allowed depends upon the estate's cash, status of the case and the interests of the debtor and creditors generally.

2. Work Description; Projects

Each application shall categorize the services rendered into separate projects or tasks ("Projects") unless payment of less than \$5,000 is requested. Projects in an attorney's Chapter 11 application might include the use of cash collateral, financing, relief from stay matters, plan and disclosure statement, preferences, etc. Ordinarily a separate Project category should be established for any matter which required significant time.

The professional shall describe each Project, the purpose and/or need for the services, significant problems encountered, results achieved, and provide other relevant information for the Court to evaluate the services and time expended. If the narrative is not divided into separate Projects, the services shall be described generally.

A billing summary for each Project shall follow each Project description.

3. Summary of Time Billed

Each application shall include a billing summary showing (a) total hours billed to each Project, (b) the composite hourly billing rate for the Project, and (c) for each professional charging time to the Project, his or her name, status (e.g., partner, associate, paralegal, manager), hourly rate, and hours billed. In applications not divided by Projects the billing summary shall cover all time billed. If initials are used to identify professionals, a key shall be provided.

4. Preparation of Application

Reasonable fees for preparation of a fee application may be requested. Applicant has the burden to prove the extent to which the preparation fees requested exceed those for clients who require detailed fee statements and have adopted fee review procedures.

5. Staffing; Rates

Rates charged must be commensurate with the skill required for the task. For example, partner rates are not generally allowable for routine work. Rates may be adjusted to conform with these Guidelines and applicable law notwithstanding an order approving rates at the time of employment.

6. Certification

Each application shall contain a certification by the responsible professional that (a) the professional has read the application, (b) to the best of the professional's knowledge, information, and belief formed after reasonable inquiry, the compensation and expense reimbursement sought conforms with these Guidelines, except as otherwise specifically noted in the application and (c) the compensation and expense reimbursement requested are billed at rates and in accordance with practices no less favorable to the debtor/estate than those customarily employed by applicant generally, except as otherwise specifically noted in the application.

Time Records

7. Time Records Required

All professionals shall keep accurate contemporaneous time records, except auctioneers, real estate brokers, appraisers, and any other professional whom the Court excuses from this obligation at the time of appointment. Notwithstanding the foregoing, the order of appointment may require auctioneers, appraisers, or real

estate brokers to submit time records.

8. Increments

Professionals shall keep time records in minimum increments no greater than 6 minutes. Applications which contain minimum billing increments greater than .1 hour may be disallowed.

9. Entries

Time entries shall identify the person who performed the service, the date performed, matter involved and services rendered. Mere notations of telephone calls, conferences, research, drafting, etc., without appropriately identifying the matter involved, may result in disallowance of the applicable time. Time entries with unexplained abbreviations may be disallowed. If computer time sheets are submitted, an appropriate key shall be provided to facilitate review.

Applicant has the burden to show that services for which compensation is sought are for professional services only and not for services ordinarily performed by a trustee or debtor in possession.

10. Lumping

If separate tasks are performed on a single day, the fee application shall disclose the time required for each task (i.e., no “grouping” or “lumping”).

11. Conferences

Professionals shall justify time spent in conferences with other professionals or paraprofessionals in the same firm. Failure to do so may result in disallowance of fees related to the conferences.

12. Multiple Professionals

Professionals shall justify the need for more than one professional or paraprofessional from the same firm at the same court hearing, deposition or meeting. Failure to justify this time may result in disallowance of fees.

13. Office Tasks

Time spent addressing, stamping and stuffing envelopes, filing, photocopying or “supervising” any of the foregoing is generally not compensable whether performed by a professional, paraprofessional, or secretary.

14. Travel Time
Travel time is ordinarily compensable at not more than one-half the professional's allowed hourly rate. Travel of one hour or less round-trip is not compensable.
15. Filing Papers
Time spent filing papers or pleadings is generally non-compensable.

Expenses

16. Receipts
Receipts should be obtained for all expenditures. Receipts shall be retained and produced upon request for reimbursement of expenditures exceeding \$25.00.
17. Office Overhead
Office overhead is generally not reimbursable. Overhead includes secretarial time or overtime, word processing time and cost of meals or transportation provided professionals and staff who work late or on weekends.
18. Computerized Research
Computerized research is reimbursable at actual cost. "Actual cost," in these Guidelines, means the amount actually expended by the professional or paid to a third party provider without markup or enhancement for handling or administrative charges.
19. Professional Services
A professional employed under section 327 of the Bankruptcy Code may not employ or charge as an expense services provided by another professional unless employment of the second professional is approved by the Court prior to the rendering of services.
20. Photocopies (Internal)
Charges must be disclosed on an aggregate and per page basis. Charges allowed are actual cost not to exceed 20 cents per page.
21. Photocopies (Outside)
Actual cost.

22. Postage
Actual cost.
23. Overnight Delivery
Actual cost where shown to be necessary.
24. Messenger Service
Actual cost shown to be necessary. In-house messenger service is not reimbursable for more than the cost of comparable services outside the firm.
25. Facsimile Transmission
Actual costs of telephone charges for outgoing transmissions are reimbursable. Transmissions received are reimbursable at actual cost not to exceed 20 cents per page.
26. Long Distance Telephone
Actual cost.
27. Travel – Automobile Transportation
Travel of one hour or less round-trip is generally not reimbursable. Travel expense for trips in excess of one hour round-trip is reimbursable in accordance with the allowance by the Internal Revenue Service.
28. Travel – Air Transportation
Reimbursement is limited to amount spent or regular coach fare whichever is lower.
29. Travel Accommodations and Meals
Reimbursement is allowed for reasonable hotel and meal expense. Luxury dining or accommodations are not reimbursable.
30. Meals – Working
Working meals at restaurants or private clubs are generally not reimbursable. Reimbursement may be requested for working meals only when food is catered to the professional's office during a meeting with clients, such as a creditors' committee, to permit the meeting to continue through a normal meal period.

31. Amenities

Charges for entertainment, alcoholic beverages, newspapers, dry cleaning, shoe shines, etc. are generally not reimbursable.

32. Miscellaneous

Filing fees, court reporter fees, witness fees, process service and UCC searches are reimbursable at actual cost.

33. Special Practices

The Court is aware that billing practices of professionals may differ. The Court will consider applicant's customary practice in charging or not charging other clients for particular items. If other clients are not billed for a particular item, the estate will not be billed. If an item is billed to all other clients, reimbursement should be sought at the least expensive rate the professional charges any client for comparable services or expenses.

Unless the Court otherwise requires, all objections to an application must be filed and served not later than seven (7) days prior to the scheduled hearing.