

## Expense Reimbursement Guidelines

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**Docketing Event** N/A

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**Negative Notice:** N/A

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**Accompanying Orders:** N/A

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**Code and Rule References:**

[Fed. R. Bankr. P. 2016](#)

[Local Rule 2016-1\(e\)](#)

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**Fee:** N/A

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**Applicable Chapters:** 7, 11, 12, 13

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**Implemented:** 6/21/2013

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**Last Revision:** 1/23/2018 10:08:10 AM

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### Description

Consistent with [Local Rule 2016-1\(e\)](#) and [Bankruptcy Rule 2016](#), this expense reimbursement guideline is intended to serve as a guide to professionals who submit employment and expense applications to the Court. Reimbursement for expenses is confined to the actual and reasonable expenses that are necessary to perform the assignment. Any application for reimbursement must be supported by documentation as appropriate.

Factors relevant to a determination that the expense is proper include the following:

1. **Reasonable and Economical.** Whether the expense is reasonable and economical. (For example, first class and other luxurious travel mode or accommodations will normally be objectionable.)
2. **Standard Practices.** Whether the requested expenses are customarily charged to non-bankruptcy clients of the applicant. The Court will consider the customary practice of the firm in charging or not charging non-bankruptcy clients for particular expense items. The practice should remain consistent regardless of the client. The Court recognizes that there will be differences in billing practices among professionals.
3. **Documentation.** Whether the applicant has provided a detailed itemization of all expenses including the date incurred, description of expense (*e.g.*, type of travel, type of fare, rate, destination), and the method of computation.
4. **Unusual Items.** Whether the applicant has explained unusual items in greater detail.
5. **Proration.** Whether the applicant has prorated expenses where appropriate between the estate and other cases (*e.g.*, travel expenses applicable to more than one case) and has adequately explained the basis for any such proration.
6. **Actual Cost.** Whether expenses incurred by the applicant to third parties are limited to the actual amounts billed to, or paid by, the applicant on behalf of the estate.

### **Types of Reimbursable Travel and Expenses**

- Common carrier fees (coach), rental car fees (small and mid-size vehicles only), mileage calculated using the Internal Revenue Service's current optional standard mileage rate, tolls, and parking costs (but not parking or violation tickets).
- Ground transportation such as taxis, buses, and subways.
- Tips to porters and baggage handlers.
- Meals and gratuities.
- Lodging.
- The actual cost of office supplies, facsimile, and copy services.
  - Internal photocopy expenses must be reasonable, not to exceed \$0.15 per page.
  - External photocopy expenses are reimbursable at cost.
  - Facsimiles should not exceed \$1.00 per page received.
- Postage.
- Messenger services, where necessity is shown.
- Computerized research (with supporting documentation, identified by client and matter).

### **Expenses Not Subject to Reimbursement**

- Personal hotel expenses, such as movie rentals or gym fees.
- Alcohol and entertainment expenses.
- Repairs and maintenance work for personal vehicles.
- Office overhead expenses not particularly attributable to an individual client or case (such as word processing, proofreading, secretarial and other clerical services, rent, utilities, office equipment and furnishings, insurance, taxes, local telephones and monthly car phone charges, lighting, heating and cooling, and library and publication charges).
- Paralegal services (although not reimbursed as an expense, may be compensated as a paraprofessional under 11 U.S.C. § 330).
- Expenses exceeding the actual amount incurred to the applicant.
- Other professional services incurred without approval. A professional employed under 11 U.S.C. § 327 may not employ, and charge as an expense, another professional (i.e., special

litigation counsel employing an expert witness) unless the employment is approved by the Court *prior* to rendering the employment.