

7 *Invoice Package*

7.1 Invoice Package

This chapter covers the procedures for completing an Invoice Package and submitting it to the FDIC.

Complete a separate Invoice Package for each matter you have been assigned. The FDIC assigns each matter a different matter number. Therefore, each matter should have its own invoice. For example, the FDIC considers initiation of litigation, a subsequent appeal, and a related bankruptcy case as three separate matters. Each matter is charged to a different account and is often supervised by a different Oversight Attorney.

The Invoice Package consists of the following:

- FDIC Legal Invoice for Fees and Expenses (LIF&E) form (*refer to the sample in [Appendix L](#)*);
- Legal invoice (generated from your law firm's accounts receivable system) (*refer to the sample in [Appendix L](#)*);
- Necessary receipts; and
- Other supporting documentation (e.g., Law Firm Travel Vouchers) (*refer to [Appendix M](#)*).

As discussed in [Chapter 6](#) (Case Plan and Budget), you must have an approved Budget from the FDIC before you can be paid. An approved Budget gives you the “all clear” to submit an Invoice Package for payment of your services.

7.2 Invoice Package Submission

When

You should submit Invoice Packages on a monthly basis unless the amount (fees and expenses) to be invoiced is less than \$500. If the amount (fees and expenses) is less than \$500, you should submit Invoice Packages on a quarterly basis, unless doing so would cause undue hardship to your firm.

You should submit Invoice Packages for fees and expenses within 30 days of the last day in your billing period, except as noted above.

The Legal Division recognizes that firms may experience delays in receiving supporting documentation for expenses included in your Invoice Package to the FDIC. Therefore, you should submit Invoice Packages for such expenses within 60 days of the last date in your billing period.

At the conclusion or termination of the matter, you should submit your final Invoice Package for fees and expenses within 90 days of the matter's conclusion or termination. *Refer to [Chapter 8](#) and [Chapter 9](#).*

NOTE: *You may not bill the FDIC more than once per month. You also may not bill for overlapping service periods (e.g., May 1 through May 31 and then May 15 through June 15).*

Failure to submit invoices in a timely manner as set forth above may significantly delay the FDIC's invoice processing and payment.

ABSENT EXTRAORDINARY CIRCUMSTANCES, THE FDIC WILL NOT PAY INVOICES SUBMITTED OVER ONE YEAR FROM THE DATE THAT SERVICES ARE RENDERED.

Where

The distribution and mailing instructions are unique to the Legal Division office or section supervising the matter. *See your referral letter or contact your Oversight Attorney for instructions.*

7.3

Billable Fees and Expenses

You may bill the FDIC reasonable charges for fees and expenses in accordance with the following guidelines.

Fees

You may bill the FDIC reasonable fees at approved LSA rates or other billing arrangements approved by FDIC in writing for:

- Legal work on matters as approved; and
- Travel time (when no substantive FDIC work is performed) at 50% of approved LSA rate.

Expenses

You may bill the FDIC reasonable charges for the following expenses. Requirements for submitting copies of receipts are indicated below. **These requirements do not alter your duty to maintain original receipts and other supporting documentation for all expenses for audit purposes.**

- In-house copy charges (no more than \$.08 per page; no receipts necessary, but indicate total number of copies).
- Itemized fax charges (telephone long distance charge (line charge) is the only acceptable charge; no receipts necessary).
- Itemized long distance telephone charges (no receipts necessary).
- Itemized overnight delivery (no receipts necessary).
- Itemized electronic research (no receipts necessary).
- Itemized extraordinary postage (i.e., bulk or certified mail; no receipts necessary).
- Expert witnesses and other professional service providers (invoices for fees and receipts for expenses necessary).
- Investigators (invoices for fees and receipts for expenses necessary).
- Court reporters (invoices necessary).

- Outside photocopying (receipts and/or invoices necessary).
 - Publication notices (receipts and/or invoices necessary).
 - Other case-specific (non-overhead) expenses (receipts and/or invoices necessary). **Approval should be documented in the case file.**
 - Allowable travel expenses (*refer to Section 7.7 for submission and receipt requirements*).
-

7.4 Non-Billable Fees and Expenses

Fees

You may **not** bill the FDIC for the following fees and expenses:

- Services of billable individuals who have not been included on the FDIC-approved rate schedule attached to your LSA.
- Excessive number of attorneys performing services in a matter.
- Secretarial or clerical overtime that has not been approved by your Oversight Attorney.
- Hourly fees for time spent photocopying, sending facsimiles, etc.
- Excessive intra-office conferences between attorneys or paralegals for the purpose of providing instruction or status.
- Excessive time spent in “file review.”
- Excessive time spent in “review and revision” of documents that you prepare.
- Educational or development costs for you to become generally familiar with statutory and case law affecting the FDIC.
- Charging attorney time for tasks that should be performed efficiently and effectively at less expense by a paralegal or

secretary, or charging paralegal time for tasks that should be performed by other clerical workers.

- Hours charged at a more senior attorney rate when a matter should be handled by a less senior attorney.

Expenses

- Ordinary postage.
 - Charges related to word processing.
 - Charges other than “actual time” charges for electronic research (e.g., Westlaw or Lexis).
 - In-house photocopying charges at more than \$0.08 per copy.
 - Clerical time for photocopying, sending facsimiles, etc.
 - Excessive/unnecessary overnight mail charges.
 - Meals, unless you are on approved travel.
 - Daily commuting expenses.
 - Any costs relating to filing fees in United States District Courts or Courts of Appeal which the FDIC is not required to pay (pursuant to 12 U.S.C. 1819(b)(4)).
 - A service that is customarily included in the normal overhead or administrative expense of running a law firm (e.g., rent, electricity, local telephone charges, HVAC, storage, bill preparation).
-

**7.5
Over Budget
Invoices**

If the full payment of the Invoice Package causes the legal matter to exceed the grand total for all phases of the approved Budget, the FDIC will notify you. The Invoice Package cannot be paid until an Amended Budget is submitted and approved. *Refer to Chapter 6 for further information.*

NOTE: *The Invoice Package will be returned to you with a notice that an approved Amended Budget is required before the Invoice Package can be properly resubmitted for payment.*

**7.6
Law Firm Invoice
Format**

Law firm invoice format requirements are discussed below.

Fees

Use the following format when totaling the hours and charges for all legal services:

| Date of Service | Name/ Initials of Individual | Service/ Activity Description | Approved Hourly Rate | Time Charged | Amount (Rate x Time) |
|-----------------|------------------------------------|-------------------------------------|----------------------------|-----------------|----------------------------|
| 8/11/97 | Jfb | Draft Motion to Dismiss Complaint | \$120.00 | 5 hrs. | \$600.00 |

Use the following format for recapitulation of the total services billed on your statement:

| Service By | Title | Hours | Hourly Rate | Total |
|-------------|-----------|-------|----------------|----------|
| John Brown | Partner | 16.10 | \$150.00 | 2,145.00 |
| Jane Green | Associate | 31.50 | 110.00 | 3,465.00 |
| Brian White | Paralegal | 10.00 | 45.00 | 450.00 |

*Block Billing of
Services*

Time billed for each activity should be identified separately. Do not combine different types of activities in one entry on the invoice. “Block billing” of fees is not acceptable, even if the same individual performed the activities, except for multiple,

related activities for which only a small amount of time (no more than 30 minutes) is expended, as in the following example:

| Date of Service | Name/ Initials of Individual | Service/ Activity Description | Approved Hourly Rate | Time Charged | Amount (Rate x Time) |
|-----------------|------------------------------|---|----------------------|--------------|----------------------|
| 8/18/97 | RJG | Phone conference with E. White re: briefing schedule; draft letter to E.White re: same. | \$120.00 | .20 hrs. | \$24.00 |

Description of Fees

The description of service or activity should be brief and informative.

| Not Acceptable | Acceptable |
|-------------------|---|
| "Research" | "Legal research on statute of limitations issues." |
| "Telephone calls" | "Telephone calls to J. James and M. Smith re: motion to dismiss." |

Time Increments

Billing in increments of greater than 0.1 billing hour (6 minutes) is unacceptable.

Expenses

Use the following format for expenses:

- Copy charges (unit cost multiplied by unit amount).
- Fax charges (date, phone number, and amount); telephone long distance charge (line charge) is the only acceptable charge.
- Long distance telephone charges (date, phone number, and amount).
- Overnight delivery (date and amount).
- Electronic research (date and amount).

Claims for travel-related expenses must be made using the FDIC’s Law Firm Travel Voucher (refer to the sample in Appendix M). Also refer to Section 7.7.

Example of Itemized Expenses

| Expense | | Amount |
|--|---------------------------------|-----------|
| Photocopy | (46 * .08/pp) | \$ 3.68 |
| Faxes | 02/28/97 (617-261-9192) | 3.26 |
| Telephone | 02/02/97 (617-262-8119) | 6.78 |
| Overnight Delivery | 02/15/97 | 15.00 |
| | 02/19/97 | 6.75 |
| Electronic Research – Westlaw | 02/27/97 | 54.20 |
| Extraordinary Postage – Certified | 02/19/97 | 2.75 |
| J. Smith – Expert Witness | 02/01/97 - 02/25/97 | 10,500.00 |
| Acme Reporting | | 425.00 |
| Panic Copying | | 230.00 |
| Travel for J. Cox Washington, DC to Boston, MA | 02/5-6/97 Settlement Conference | 780.00 |

**7.7
Travel
Reimbursement
Guidelines**

The following guidelines are provided to assist in compliance with requirements to limit expense reimbursement to those costs that do not exceed FDIC travel reimbursement regulations.

Eligibility for Reimbursement

To be entitled to travel reimbursement, you must be on a temporary assignment that is at least 50 miles in distance from either your office or residence. If a temporary assignment concludes during the workday and is located within 100 miles of your office or residence, you are expected to return to your residence, rather than remain at the temporary location overnight.

Travel Authorization

You must ensure that all travel on behalf of the FDIC is necessary and approved by the Oversight Attorney.

Air Travel

Air travel should be in coach class only, unless you bear the cost of the difference between coach and business or first class. Travel should be planned as far in advance as possible to take advantage of discounted fares, especially if reasonable certainty exists that the event will take place. If a restricted fare is booked and you require a change, a reasonable exchange fee may be claimed.

Rental Cars

Generally, no car larger than a mid-size should be rented. Original receipts must support claims for rental car gasoline. The FDIC will not reimburse you for Personal Accident Insurance (PAI) or Personal Effects Coverage (PEC). The cost of Collision Damage Waiver (CDW) coverage is allowed if you do not have insurance coverage for collision damage.

Lodging

You should make use of government rates whenever possible. Any hotel expenses considered excessive or unreasonable will not be reimbursed.

Subsistence

On overnight travel status you may be reimbursed on a per diem basis. The current FDIC per diem rates allowable are listed below. Refer to [Appendix N](#) for specific per diem localities. When you are on per diem, incidental expenses such as laundry and cleaning are considered to be covered by the per diem.

Per Diem for Overnight Travel

| Departing | Per Diem Rates | | | |
|--|----------------|---------|---------|---------|
| | \$30.00 | \$34.00 | \$38.00 | \$42.00 |
| <i>If you leave your Residence/Office between:</i> | | | | |
| 12 Midnight to 5:59 AM | \$30.00 | \$34.00 | \$38.00 | \$42.00 |
| 6:00 AM to 11:59 AM | \$22.50 | \$25.50 | \$28.50 | \$31.50 |
| 12 Noon to 5:59 PM | \$15.00 | \$17.00 | \$19.00 | \$21.00 |
| 6:00 PM to 11:59 PM | \$ 7.50 | \$ 8.50 | \$ 9.50 | \$10.50 |

| Returning | Per Diem Rates | | | |
|--|----------------|---------|---------|---------|
| | \$30.00 | \$34.00 | \$38.00 | \$42.00 |
| <i>If you return to your Residence/Office Between:</i> | | | | |
| 12 Midnight to 5:59 AM | \$ 7.50 | \$ 8.50 | \$ 9.50 | \$10.50 |
| 6:00 AM to 11:59 AM | \$15.00 | \$17.00 | \$19.00 | \$21.00 |
| 12 Noon to 5:59 PM | \$22.50 | \$25.50 | \$28.50 | \$31.50 |
| 6:00 PM to 11:59 PM | \$30.00 | \$34.00 | \$38.00 | \$42.00 |

Miscellaneous Meal Expense

If you are in non-overnight travel status and are away from your residence for at least 11 consecutive hours excluding mealtime, you may be reimbursed on an actual expense incurred basis for meal costs up to \$12 supported by an original receipt.

Long Distance Personal Calls

While on an overnight travel assignment, you may claim the actual amount incurred, not to exceed \$3 per day, for personal long distance calls. This is in addition to per diem, if applicable. Itemize your calls on the Law Firm Travel Voucher. *Refer to Appendix M.*

Use of Privately-Owned Vehicle

You may be reimbursed for use of your privately-owned vehicle while on FDIC-related business. The maximum reimbursement rate will be the rate stipulated by the IRS. *Refer to Appendix N.*

If you choose to use your vehicle in lieu of air travel, the maximum reimbursement will be the lesser of the cost of air travel or mileage reimbursement and the additional per diem, if any.

NOTE: *FDIC does not insure privately-owned vehicles for liability.*

Taxicabs

The use of taxicabs is permitted while you are on official travel for FDIC. Reimbursement for taxicab fares (plus the customary 15% tip) will be made only if an appropriate receipt is submitted. Taxi hire is appropriate when:

- Public transportation, airport limousine service, and/or hotel courtesy transportation is not available or when time or other factors make it impractical to use available public conveyances;
- Traveling between transportation terminals and your residence, hotel or office while on official travel status; or for

- Traveling from your residence to your office to depart on assignment requiring at least one night's lodging, and from your office to your residence on the day you return from that trip.

Taxi fares for trips used to obtain meals will not be reimbursed.

*Non-Reimbursable
Travel Expenses*

Examples of expenses that will **not** be reimbursed include the following:

- Alcoholic beverages, entertainment;
- Laundry, dry cleaning and pressing (covered by per diem reimbursement);
- Travel insurance;
- Parking fines;
- Gratuities and tips paid to waiters and hotel maids inside the lodging facility (covered by per diem reimbursement). However, tips for baggage handling will be reimbursed provided they do not exceed \$1.00 per bag.
- Cost of travel for spouses, other family members, and friends is not allowable under any circumstances.

Travelers will **not** be reimbursed for excess costs caused by:

- An indirect route as a matter of personal preference;
- Premature departure for personal reasons from a temporary location; or
- Extending a stay for personal reasons.

Law Firm Travel Voucher Completion

After completion of travel, a Law Firm Travel Voucher must be submitted with the Invoice Package for reimbursement. Indicate the purpose of travel on the first line. Dates and times of each departure from residence or office, arrival at the place of temporary assignment, and arrival at the office or residence must be shown on the Law Firm Travel Voucher. *Refer to Appendix M.*

Receipts

Except for per diem expenses, you must submit valid original receipts with the Law Firm Travel Voucher for all travel expenditures regardless of cost. If a receipt is not normally provided for the expense (bus or subway token, etc.) the certification signed by the traveler on the Law Firm Travel Voucher will justify the expense.

Receipts submitted with the Law Firm Travel Voucher should be originals indicating the name of the payee, date paid, amount, and the service rendered. This includes the original Passenger Receipt Coupon of the airline ticket, except for electronic tickets. When airfare, train or other transportation fare is purchased via an electronic ticket, the receipt may be:

- An original receipt specifically requested from the carrier;
- An original boarding pass plus credit card receipt; or
- A copy of the traveler's credit card statement identifying the charge.

Penalties

WARNING: *The penalty for submitting a Law Firm Travel Voucher that falsifies any item in the claim forfeits the claim (28 U.S.C. § 2514). Further, travelers who falsify a claim may be fined or imprisoned for not more than 5 years or both (18 U.S.C. § 1001), and a corporation may be fined up to a maximum of \$500,000 (18 U.S.C. § 3571 (c)).*

7.8 LIF&E Form

The following provides guidance when completing the LIF&E form. Refer to [Appendix L](#).

- Each invoice must have a number unique to the law firm or law firm office that is submitting the invoice.

NOTE: *If you are submitting multiple Invoice Packages, make sure you have a separate LIF&E form for each Invoice Package.*

- The invoice number can be no longer than 20 characters. Omit any dashes, slashes, spaces, leading zeros, or other special characters.
- The law firm and financial institution involved with the legal matter must be the same as identified in the referral letter.
- In Part II of the LIF&E form, the current billing information must be entered in the row corresponding to the correct phase of the approved Budget.
- If the legal services involve more than one phase, enter the appropriate billing information for all applicable phases.
- The billing period should be monthly. For example:
FROM: 12/01/98 THROUGH: 12/30/98.
- The billing period should be quarterly when monthly fees and expenses are less than \$500. For example:
FROM: 01/01/99 THROUGH: 03/31/99.
- If there are expenses incurred for anything other than the present billing period or the immediately preceding billing period, ensure that the expenses have not been previously reimbursed.
- Enter totals for attorneys' fees billed (all phases) and non-attorneys' fees billed (all phases).

- The totals of the current phase amounts for *Fees Billed* and for *Expenses Billed* must equal the respective subtotals for *Fees Invoiced* (all phases) and *Expenses Invoiced* (all phases).
- The amount of Total Attorneys' Fees Billed (all phases) must match totals for *Male* and *Female* attorney billings in Part III, Women & Minority Attorney Participation.
- In Part III of the LIF&E form, for each ethnic classification of attorneys, list the proportionate amount of *Total Attorneys' Fees Billed* (further dividing the amounts by gender for each classification).
- **Sign at the bottom to certify that the LIF&E form is true and correct. The LIF&E form must have an original signature.**

NOTE: If the Invoice *Grand Total* (plus all prior Invoice Package payments for that matter) exceeds the *Grand Total of All Phases* on the approved Budget for the matter, an approved Amended Budget is required before FDIC can process your Invoice Package.

7.9 FDIC Invoice Package Review

The Invoice Package should be submitted in a timely manner (*refer to Section 7.2*) and as directed in your referral letter or by your Oversight Attorney. Upon receipt, the FDIC Legal Information Technician reviews the package and does one of two things:

- a. Forwards it to your Oversight Attorney for review and/or approval; or
- b. Rejects it. If your Invoice Package is rejected, your Oversight Attorney or Legal Information Technician will notify you of the deficiencies to be corrected.

The Oversight Attorney performs a substantive review of your invoice. If any amounts are disallowed, you will be notified at the time of payment; such information appears on the check stub or EFT remittance form.

NOTE: *FDIC invoice processing time is a minimum of thirty (30) days after receipt of a correct or proper Invoice Package. Payment is generally not made in less than thirty (30) days.*

Effective January 2, 1999, FDIC is required by statute to make payments by electronic funds transfer (wire transfer) absent a waiver. Refer to [Appendix O](#).

7.10 Reconsideration of Disallowances

You must submit all requests for reconsideration of disallowances within 90 days from receipt of notice of disallowance. The request must include matter number, invoice number, and the amount disputed, along with justification for reconsideration (e.g., copies of missing documentation, narrative rationale).

NOTE: The submission of erroneous bills or requests for reimbursement of inappropriate charges may result in sanctions. Under no circumstances may Outside Counsel attempt a set-off or recoupment, obtain a charging or retaining lien, or withhold files in the event of a dispute over payment for services rendered.

7.11 Audit and Records Retention

Outside Counsel must permit the FDIC, the FDIC Office of Inspector General, and the General Accounting Office, or their representatives, to conduct audits or reviews of your FDIC billings, including previously paid Invoice Packages.

For purposes of subsequent audits, Outside Counsel must retain the following:

- Copies of all Invoice Packages (*refer to Section 7.1*);
- Original underlying support documentation not submitted with the Invoice Package; and
- Original time sheets and time and expense adjustment records. Example of adjustment records includes documentation explaining differences between time sheet hours and invoice hours for billable individuals.

The recordkeeping requirements for electronic billing (timekeeping) systems are discussed in [Appendix P](#). The FDIC reserves the right to obtain additional information upon review of any itemized fee bill or support documentation.

7.12 Frequently Asked Questions

Below you will find answers to questions often raised by Outside Counsel when submitting Invoice Packages.

Can I have expert witnesses hired by my firm call you when they have questions about their payment?

No. Any expert or other entity hired or retained by your firm should address all payment questions to you. Their invoices are included as expenses in your Invoice Package to the FDIC.

When should I submit an Invoice Package?

On a monthly basis, if the total equals \$500.00 or more. If your total is less than \$500.00, submit your Invoice Packages quarterly, unless this causes undue hardship.

Can I bill for clerical or secretarial overtime?

No, unless such overtime is requested by the Legal Division or occasioned by an emergency situation created by the FDIC. In

any case, the Oversight Attorney assigned to your matter must approve clerical or secretarial overtime.

I know I can bill the FDIC for extraordinary postage (e.g. bulk or certified mail) Can I also charge for ordinary postage?

No.

What common mistakes should I avoid when submitting my Invoice Package?

Make sure you use a different invoice number for each Invoice Package you submit.

Ensure the totals on your Invoice Package equal the totals on the LIF&E form.

Don't forget to submit all necessary receipts.

Make sure your "billing from" and "billing through" dates do not overlap. For example, if an Invoice Package covers the period from January 2 to January 16, a subsequent Invoice Package should not cover the period from January 10 to January 29.

Be sure to itemize attorney and non-attorney fees separately.

Our firm charges \$0.10 per page for in-house photocopying. Can I bill the FDIC for this amount?

No, the allowable charge is \$0.08 per page.

What information do I need to include regarding fax and phone charges?

You need to include the date, phone number and charge for each call. The bill from the carrier must be retained for three years after final payment under the legal referral for audit purposes.

What happens if there is something wrong with my Invoice Package?

An FDIC Legal Information Technician will notify you via phone or fax. If certain fees and expenses are disallowed, you will be notified on your check stub or EFT remittance form.

[TOC](#) [INTRODUCTION](#) [CHAPTER 1](#) [2](#) [3](#) [4](#) [5](#) [6](#) [7](#) [8](#) [9](#) [APPENDICES](#)